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**ANNUAL REPORT ON COMPETITION POLICY DEVELOPMENTS IN IRELAND**

**-- 2014 --**

**16-18 June 2015**

*This report is submitted by Ireland to the Competition Committee FOR DISCUSSION at its forthcoming meeting to be held on 16-18 June 2015.*

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## TABLE OF CONTENTS

Executive Summary .....	3
1. Changes to competition laws and policies, Proposed or Adopted.....	3
1.1 Summary of new legal provisions of competition law and related legislation .....	3
1.2 Other relevant measures, including new guidelines .....	4
1.3 Government Proposals for New Legislation.....	4
2. Enforcement of competition Laws and Policies .....	4
2.1 Action against anticompetitive practices, including agreements and abuses of dominant positions.....	4
2.2 Mergers and acquisitions .....	7
3. The Role of Competition Authorities in the formulation and implementation of other policies .....	8
3.1 Advice on Proposed Legislation, Regulations and Competition Issues .....	8
3.2 Submissions.....	9
3.3 Raising Awareness .....	13
3.4 Education and Outreach.....	14
4. Resources of The Competition Authority .....	14
4.1 Resources Overall.....	14
4.2 Human Resources .....	14
5. New Reports and Studies on Competition Policy Issues .....	14

## Executive Summary

1. 2014 was a landmark year for competition and consumer policy in Ireland. After 23 years in existence, and six years after the announcement was first made, the Irish Competition Authority merged with the National Consumer Agency (“the NCA”) on 31 October 2014 to form the Competition and Consumer Protection Commission (“the Commission”). The Commission was established under the Competition and Consumer Protection Act 2014, a significant piece of legislation which empowers the Commission to act as independent body with a broad statutory remit to pursue our stated mission which is “to make markets work better for consumers and businesses”.

2. While significant resources were devoted to the amalgamation process throughout 2014, these efforts did not detract from our core activities of law enforcement and promoting consumers’ interests. Alongside our criminal investigation activity we also used a number of other interventions such as civil court cases, market studies and advocacy aimed at Government and regulators to address consumer issues. We implemented and fine-tuned a merger control function which is highly regarded internationally for the clarity and timeliness of its decision-making. Our advocacy and public awareness actions made a difference to consumers in sectors as diverse as groceries, cars, home heating oil, transport, agriculture, professional services, banking, insurance and postal services.

3. Now that the new Commission has been established and as the Irish economy continues to recover and grow, the Commission will play its part in improving Ireland’s economic future by ensuring that all sectors of the economy can make a significant contribution to growth by being open and competitive.

### 1. Changes to competition laws and policies, Proposed or Adopted

#### 1.1 Summary of new legal provisions of competition law and related legislation

4. The Competition and Consumer Protection Act 2014 (the “Act”) was signed into law by the President of Ireland on 28 July 2014 and came into effect on 31 October 2014.

5. The Act established the Competition and Consumer Protection Commission (the “Commission”). The Commission replaces the Competition Authority and the National Consumer Agency as the body responsible for consumer protection and competition enforcement in Ireland.

6. The functions of the Commission are, as outlined in the Competition and Consumer Protection Act 2014:

- To promote competition;
- To promote and protect the interests and welfare of consumers;
- To carry out an investigation, either on its own initiative or in response to a complaint made to it by any person, into any suspected breach of the relevant statutory provisions, that may be occurring or has occurred, Article 101 or 102 of the Treaty on the Functioning of the European Union, that may be occurring or has occurred, or notwithstanding their repeal, the Competition (Amendment) Act 1996 and the Competition Act 1991, that has occurred;
- To enforce the relevant statutory provisions;
- To encourage compliance with the relevant statutory provisions, which may include the publication of notices containing practical guidance as to how those provisions may be complied with;
- To set the strategic objectives for the Commission; and

- To ensure that appropriate systems and procedures are in place to achieve the Commission's strategic objectives and to take all reasonable steps available to it to achieve those objectives.

7. In addition to the establishment of the Commission, the Act considerably increases the Commission's powers to investigate and enforce competition law breaches. For example, it allows for the compelled disclosure of material which may be legally privileged. The legislation also makes it an offence for any person to fail to disclose to the Irish police as soon as practicable information which he or she knows or believes might be of assistance in investigating cartels. This offence is punishable by fines of up to €5 million and / or imprisonment.

### ***1.2 Other relevant measures, including new guidelines***

8. The Commission published Guidelines for Merger Analysis on 31 October 2014. The Guidelines do not contain any amendments to the Guidelines for Merger Analysis published by the Competition Authority in December 2013 (other than the substitution of references to the Commission for references to the Competition Authority and the making of minor amendments to legislative references). In particular, the substantial lessening of competition test remains unchanged by the 2014 Act.

### ***1.3 Government Proposals for New Legislation***

9. The Commission is not aware of any proposals for any further changes to competition legislation following the commencement of the Act in 2014.

## **2. Enforcement of competition Laws and Policies**

### ***2.1 Action against anticompetitive practices, including agreements and abuses of dominant positions***

#### ***2.1.1 Summary of Activities***

10. One of our core functions is to enforce competition law and to take legal action when we believe the law has been broken. Our enforcement work can be divided into two categories:

- The first relates to hardcore 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 we have enough evidence of a criminal cartel agreement, we refer a file on that case to the DPP for prosecution on indictment.
- 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.

#### ***2.1.2 Current Investigations***

##### ***2.1.2.1 Commercial Flooring***

11. In 2014, we concluded a cartel investigation concerning allegations of anti-competitive activities in the commercial flooring sector and we referred a file to the DPP recommending a number of prosecutions. This case remains under consideration by the DPP.

### 2.1.2.2 ECN Online Hotel Booking Working Group

12. In 2013 the Competition Authority commenced an in-depth investigation of the online travel agent (OTA) sector in the State, following a complaint. The Authority's investigation concerns the use by a number of OTAs of 'Best Price Guarantees', whereby consumers are ensured that they will not find a better price for a given hotel room elsewhere. It is alleged that these Best Price Guarantees limit price competition and prevent market entry by innovative or low-cost OTAs. The Authority has issued a number of Requests for Information to firms active at various levels of the hotel booking supply chain.

13. Similar investigations are taking place in a number of other EU Member States, and Member States are at various stages of progress in their investigations.

### 2.1.3 Closed Investigations

14. In 2014 the Authority reached successful conclusions in the following cases:

#### 2.1.3.1 The Competition Authority v Irish Medical Organisation

15. On 2 July 2013, the Minister for Health and Children (the Minister) announced that he had decided to reduce the fees payable by the Health Service Executive (HSE) to General Practitioners (GPs) for providing services to eligible patients under the General Medical Services (GMS) Scheme. He proposed to do this by means of regulations made under the Financial Emergency Measures in the Public Interest (FEMPI) Act 2009. On 10 July 2013, the Irish Medical Organisation (IMO), the representative association of GPs, issued a press release stating that at a meeting of its GP Committee on 8 July 2013, a motion was passed unanimously condemning the proposed reduction in GP fees. The press release also stated that it had been decided at that meeting that GPs would immediately withdraw from the provision of certain services, including:

- participation by GPs in Primary Care Teams
- participation by GPs in Community Intervention Teams
- participation by GPs in Clinical Care Programmes (Chronic Disease), and
- any other services not specified in the GMS contract (i.e., the contract which governs the provision of services by GPs under the GMS Scheme).

16. In the Competition Authority's opinion, GPs are undertakings within the meaning of the Competition Act 2002 (the Act) and the IMO's action therefore constituted a decision by an association of undertakings which would limit collectively the range and quality of services provided by GPs to GMS patients. As such, it was a decision which had the object and/or effect of preventing, restricting or distorting competition in the State and which might also affect trade between EU Member States.

17. On 11 July 2013, the Authority wrote to the IMO stating its view that the decision of its GP Committee constituted collective action by GPs and was in breach of competition law, specifically section 4 of the Act and Article 101 of the Treaty on the Functioning of the European Union (TFEU). The Authority called on the IMO to remove the press release of 10 July 2013 from its website and publish an undertaking to reverse the decision of its GP Committee to withdraw certain services.

18. Following the IMO's refusal to rescind the decision of its GP Committee, on 16 July 2013, the Authority initiated legal proceedings in the High Court against the IMO under section 4 of the Act and Article 101 of the TFEU.

19. On 28 May 2014, as part of a settlement agreement between the IMO and the Authority, the IMO provided undertakings to the High Court:

- not to organise or recommend the collective withdrawal of services or boycotts by its members, and
- to advise its members that they should decide individually and not collectively whether to participate in publicly funded GP health services on such terms as are offered by the Minister.

20. These undertakings provided by the IMO resolve the Authority's competition law concerns. The settlement agreement also confirms key aspects of the Authority's position, from a competition law perspective, regarding the role of the IMO in any process of engagement with the Minister and/or the HSE relating to discussions on publicly funded GP health contracts. The terms of the settlement agreement also set out the limitations of the IMO's role in such a process. Such safeguards are necessary in order to ensure that competition law is not breached and patients and taxpayers are protected. In particular, the agreement emphasises that the Minister/State must make the final decision on contract terms and conditions, including fees.

#### 2.1.3.2 An Post

21. In 2013, the Authority initiated an investigation into An Post, the State-owned postal services provider, with respect to its zonal pricing scheme for users of its Publication Services product between March 2012 and February 2013.

22. The Publication Services product is offered by An Post to publishers of newspapers and periodicals (e.g. magazines and newsletters) that post in excess of 100 items in a single mailing. The service involves the delivery by post of newspapers and periodicals presented in bulk to An Post.

23. The Authority took the view that, between March 2012 and February 2013, the manner in which the Zonal Pricing Scheme was implemented raised competition law concerns. The investigation conducted by the Authority indicates that An Post sought exclusivity from publishers by making a reduced tariff for the Publication Services product conditional on An Post providing all of a publisher's delivery requirements. This had essentially the same effect as granting an exclusivity discount.

24. Given An Post's likely dominant position in the relevant market, the Authority is of the view that the application of the Zonal Pricing Scheme during this period was likely to amount to a breach of Section 5 of the Competition Act 2002 and/or Article 102 of the Treaty on the Functioning of the European Union.

25. The Authority is satisfied that An Post's amended procedures for the application of the Zonal Pricing Scheme, introduced in February 2013, address the competition concerns identified during the investigation.

26. Because An Post amended its procedures in a timely manner following the opening of the investigation, the Authority decided to close its investigation and publish an Enforcement Decision notice in order to provide information and an explanation of the issues involved.

#### 2.1.4 *Other Enforcement Matters*

##### 2.1.4.1 Irish Water

27. Irish Water was incorporated in July 2013, as a semi-State company under the Water Services Act 2013. Irish Water is accountable to two regulatory bodies – the Commission for Energy Regulation (CER), who is the economic regulator for the water sector, and the Environmental Protection Agency (EPA), who is the environmental regulator.

28. During 2014 the Authority received a number of complaints relating to Irish Water, in which concerns were raised that Irish Water may be able to exploit consumers as a result of its monopoly status.

29. From the perspective of the Competition Act 2002, we would note at this point that the independent regulation of Irish Water by the CER should ensure that Irish Water would not abuse its position in providing water services. Furthermore, Irish Water's prices are regulated by the CER, the energy regulator, and therefore Irish Water is not able to increase its prices without the consent of the CER.

30. We would also note that the CER has the power to approve or refuse codes of practice proposed by Irish Water, and may require Irish Water to comply with codes of practice. These codes stipulate the minimum customer service requirements that Irish Water must offer its customers and deal with issues such as billing and terms and conditions. As a result, the issues raised in the complaints submitted to the Authority were very likely to be addressed by the regulatory powers of the CER.

## 2.2 *Mergers and acquisitions*

### 2.2.1 *Statistical Overview*

31. The Competition Authority received 31 merger notifications up to the date of amalgamation on 31 October 2014 and the newly amalgamated body received 10 more notifications by the end of 2014. In 2014 the Authority finalised its examination of four transactions which were notified in 2013 and whose deadlines extended into 2014. One of these cases involved a full phase 2 investigation (M/13/036 – Glanbia/Wexford Creamery), while one involved an extended phase 1 investigation (M/13/033 – Sappho/TCH) following proposals being submitted by the parties. All of those cases were cleared by the Authority.

32. In 2014 THE Competition Authority completed a full phase 2 investigation of Glanbia Ingredients Ireland Limited's acquisition of Wexford Creamery, while an extended phase 1 investigation was carried out into a transaction involving the acquisition of joint control of Arnotts, a Dublin department store.

33. The Authority also investigated one merger that was not statutorily notifiable, i.e. one that was below the statutory threshold for notification and was not voluntarily notified. On 6 August 2014 the Authority received a complaint alleging that the acquisition of certain assets of Cemex ROI Limited (Cemex) by Kilsaran and Roadstone would have serious anticompetitive effects in the markets for ready mixed concrete and stone products (aggregates). Following an investigation, the Authority informed the parties that, based on the information available to it, the Authority did not intend to challenge or object to the completion of the proposed acquisition. However, since the acquisition was not notified to the Authority under section 18 of the Act, the Authority retained and reserved all rights to consider under the Act at some future date competition issues relating to this acquisition.

34. In 2008, the Authority blocked the purchase of Breeo by Kerry Group (M/08/009), a decision which Kerry successfully appealed to the High Court. The High Court annulled the Authority's decision to block the transaction. In 2009 the Authority appealed the High Court decision to the Supreme Court. The hearing is expected to take place in 2015.

### 2.2.2 *Statistics on Mergers Evaluated 2011-2014*

	2014	2013	2012	2011
<b>Notified Mergers</b>	31	37	33	40
required notifications [section 18(1)]	30	37	33	40
voluntary notifications [section 18(3)]	1	0	0	0
<b>Carried from previous year</b>	4	6	4	6
carried as phase 1	4	6	4	5
carried as phase 2	0	0	0	1
<b>Referred from the EU Commission (ECMR Art 9)</b>	0	0	0	0
<b>TOTAL CASES</b>	35	43	37	46
of which media mergers	5	5	3	5
of which entered phase 2 in year of determination	1	2	0	1
of which entered phase 2 in year previous to determination	0	0	0	1
<b>Cases Withdrawn</b>	0	0	1	0
Withdrawn at phase 1	0	0	1	0
Withdrawn at phase 2	0	0	0	0
<b>Determinations Delivered</b>	29	39	30	42
Phase 1 Determinations cleared without proposals	27	37	30	40
Phase 1 Determinations with proposals	1	0	0	0
Phase 2 positive Determinations without conditions or proposals	1	2	0	2
Phase 2 Determinations with proposals	0	0	0	0
Phase 2 Determinations with conditions	0	0	0	0
Phase 2 Prohibitions	0	0	0	0
<b>Referral to EU Commission (ECMR Art 22)</b>	0	0	0	0
<b>Carried Post 30 October, 2014</b>	6	4	6	4
Carried as phase 1	6	4	6	4

### 3. **The Role of Competition Authorities in the formulation and implementation of other policies**

35. The Commission and its predecessor, the Competition Authority, promote 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 competitive issues relevant to their work, including procurement and tendering for public contracts, and in particular we comment on proposed legislation and respond to public consultations. We promote the idea of a competition culture to the wider community by publishing guidelines, organising and participating in conferences and seminars and interacting with business organisations.

#### 3.1 *Advice on Proposed Legislation, Regulations and Competition Issues*

36. Public restrictions on competition often force consumers to pay more for services. These public restrictions on competition increase business input costs, making businesses less competitive.

## 3.2 *Submissions*

### 3.2.1 *Green Paper on Energy Policy in Ireland*

37. In 2014 the Competition Authority made a submission to the *Green Paper on Energy Policy in Ireland*, a public consultation process which will determine Ireland's priorities in energy policy up to 2030. The Green Paper is an important document as the price paid for energy is a determining factor in the competitiveness of the economy and affects the life of every citizen.

38. While oil and gas prices are determined by international markets, network costs and the costs of promoting renewable generation result from policy choices and are within the control of the Irish Government. While renewable energy can provide a cheap source of electricity some of the time, it can also raise the cost of conventional generation which will always need to be available for days when the wind doesn't blow. The approach to subsidising renewable energy could be fine-tuned to prevent over-investment in wind projects which may not be necessary. For example, the length of the subsidies available for wind generators at 15 years is very long and it is not clear why the State should underwrite risk that should be borne by private investors.

39. The development of the electricity and gas networks should be carried out in the most cost efficient manner possible. However, given the considerable capital costs involved in upgrading a network, the cost of capital could be reduced if the transmission networks were unbundled from the existing vertically integrated firm structures and regulated as natural monopolies.

40. The retail electricity and gas markets are now deregulated and, while consumers can choose their electricity and gas supplier, whether consumers reap the benefits of competition depends on their ability to actively search for and switch to better deals. However consumers often fail to take advantage of the attractive deals on offer. According to a CER consumer survey, 63% of people have never switched energy supplier. Given some encouragement, consumers can find better deals and switch energy suppliers. There are legitimate concerns that some consumers who are inactive in the market receive less favourable deals and may include a disproportionate share of more vulnerable households. If consumers wish to switch and are unable to do so, then actions should be taken to identify and remove the barriers to switching.

41. The Authority recommends that more research should also be conducted by the CER into identifying why people do not switch despite the potential for savings. If barriers to switching are identified, this may require more targeted interventions aimed at particular groups.

### 3.2.2 *Monitoring Retail Energy Markets*

42. The Competition Authority made a submission to the CER's consultation on its approach to monitoring electricity and gas markets (S-14-003). The Authority raised concerns regarding a proposal for the CER to gather and publish the profit margins of energy suppliers.

43. Any definition of competition in retail electricity should reflect the idea that competition is a dynamic market process encompassing a number of features other than price and market share. In addition to price, the criteria for assessing competition in electricity should be expanded to include quality and choice.

### 3.2.3 *Taxi Regulation*

44. In January 2014, the Competition Authority made a submission to the public consultation issued by the National Transport Authority (NTA) regarding the proposal to introduce new regulations under the Taxi Regulation Act 2013. The Authority expressed the view that Section 13 of the draft Small Public Service Vehicle (Consolidation and Reform) Regulations 2014 could in effect copper-fasten provisions introduced in 2010 whereby all new entrants must drive a Wheelchair Accessible Vehicle (WAV). These new regulations broadly consolidated and replaced over fifty years of legislation relating to the taxi industry, in addition to introducing some new regulation.

45. WAVs are more expensive to purchase and drive compared to standard vehicles. The new regulations proposed that new entrants must drive a WAV that is less than six years old. In contrast, the maximum age for existing licence holders is between 10 and 15 years for standard vehicles, while the age requirements for existing WAVs were removed. This increases the financial burden for new entrants and places them at a significant disadvantage compared to existing licence holders.

46. It is reasonable to expect limited new entry in the current economic environment, where prices are being discounted and the number of taxis has been falling. This means when the economy revives and the demand for taxis increases there will be fewer taxis. This is bad news for all consumers, and especially wheelchair users, who already experience considerable difficulty accessing taxi services.

47. The rule that new entrants must drive a WAV was introduced to improve the availability of taxi services to people with disabilities. However, the current policy is not working. The number of WAVs as a percentage of all small public service vehicle licences (i.e., taxis, hackneys and limousines) fell from 6% to 4% between June 2010 and December 2013. Instead these regulations have created a permanent quantitative barrier that has done little to increase the availability of WAVs.

### 3.2.4 *Regulation of Household Waste Collection*

48. The Competition Authority welcomed the fundamental objectives of the public consultation on the Regulation of Household Waste Collection, which is to strengthen the current regulatory regime in the household waste collection sector. The Competition Authority's submission to the Department of Environment, Community and Local Government (DECLG) focused on policy proposals in the consultation that are environment related, but may have an impact on competition. These proposals included: (a) the regulation of pricing structures, (b) waste management collection permit fees and (c) proposals to reduce the administrative burden for applicants.

49. Regarding the regulation of pricing structures, the submission noted that the proposal to introduce a price per weight charging system could restrict firms' freedom to determine their pricing practice independently and thus limit competition. The submission also recommended that the DECLG should conduct a cost benefit analysis that allows them to balance the improved incentives for waste reduction against the cost of the system.

50. The Authority recommended that waste management permit fees should not be set at a level which deters new waste collectors entering the sector or deters small new collectors expanding their services. The submission also welcomed proposals in the consultation to introduce measures to reduce the administrative burden for those complying with the Waste Management (Collection Permit) Regulations 2007.

### 3.2.5 *Dublin Port Company Franchise Review*

51. Dublin Port Company's (DPC) Franchise Review Consultation Document was prepared on the basis of submissions received by DPC during an initial consultation period from July to September 2012, and the findings and recommendations of the Authority's study of competition in the Irish ports sector. The Franchise Review was put on hold pending the publication of the Authority's study in November 2013.

52. The stated aim of the Franchise Review was to maximise the utilisation of land and make Dublin Port work better for port users. Dublin Port's land is utilised by a variety of mostly private sector companies on the basis of a number of types of commercial agreements. These include leases, licences, jetty agreements and, in some cases, long-standing historical arrangements which are not formalised in writing. DPC groups all such agreements as 'franchises'. Franchises are additionally taken to include possible future agreements such as concessions.

53. The Competition Authority's ports study made two key recommendations regarding existing franchise agreements in Dublin Port – namely the leasing and licensing of Lo-Lo terminals and general stevedore licensing. The Authority found that these leases and licences may have the effect of restricting competition by severely limiting the scope for new entry. It was recommended that DPC should seriously consider reducing the duration of these agreements in order to address their anti-competitive impact.

54. The Competition Authority's submission was broadly positive regarding the policy direction being proposed by DPC in the Franchise Review. However, while recognising the legal challenges associated with altering the existing leases and licences, the submission stated that the Franchise Review should give a clearer signal to port users and potential port service providers that DPC is resolute in its efforts to improve intra-port competition.

### 3.2.6 *Transport Strategy 2015-2017*

55. This submission focused on what specific reforms we consider are required in bus passenger, taxi and the ports sectors as these are areas in which the Authority has had substantive public engagement with the Department and/or the NTA.

56. The Competition Authority acknowledged the progress made regarding the reform of bus licensing legislation and the Department's ongoing assistance in relation to our work in the ports sector. However, at a broad level, the Department and the National Transport Authority (NTA) should realign their core objectives towards providing transport services that are consumer-focused. Reforms that place greater competitive pressure on incumbents contribute enormously towards this objective and should be clearly stated in the Department's revised *Statement of Strategy 2015-2017*.

### 3.2.7 *Recommendations from Previous Reports*

57. The Competition Authority continually advocates for the implementation of recommendations we have previously made in market study reports. We do this by creating public awareness and engaging in public debate. We advise decision makers of the benefits that our recommendations will bring.

### 3.2.8 *Government Commitment*

58. In 2011, the Government announced that, in respect of recommendations made by the Competition Authority in future market studies, the Minister with relevant policy responsibility for those recommendations will, within nine months of the publication of the report, bring a report to Government giving their position on implementation of the recommendations.

59. Furthermore, it was decided that where any outstanding recommendations or future recommendations made by the Authority are of relevance to the recently launched *Action Plan for Jobs*, their implementation should be monitored in that context.

### 3.2.9 Ports study recommendations

60. The Competition Authority published its report on “Competition in the Irish Ports Sector” in November 2013. In August 2014, the Minister for Transport, Tourism and Sport, Paschal Donohoe, T.D., responded to the recommendations made in the Authority’s ports study. The Minister’s response is summarised as follows:

- **Leasing and licensing arrangements:** The Minister noted that the Authority’s report was broadly welcomed by the commercial ports sector. There were two sector specific recommendations: Recommendation 1 – Leasing and licensing of Dublin Lo-Lo terminals and Recommendation 2 – Stevedore licensing.

61. Recommendation 1 states that Dublin Port Company (DPC) should seriously consider reducing the duration of the Lo-Lo terminal licences. Recommendation 2 states that a least two new general stevedore licences should be issued by DPC.

62. Regarding Recommendation 1, the Minister noted that all issues relating to the lease of lands in the port are a statutory function of the directors of DPC and not one in which the Minister has any role. It was noted that the recently adopted *Directive on the award of concession contracts (2014/23/EU)* and the proposed *Regulation establishing a framework on market access to port services and financial transparency of ports (COM2013/296)* on this particular recommendation requires consideration.

63. Regarding Recommendation 2, the Minister again emphasised that the provisions of services and the management and operation of a company’s harbour are all statutory functions of the port companies and not areas for which the Minister has any role. He also stated that developments at a European legislative level (see above) may help to largely address the Authority’s concerns.

- **Port closure and amalgamation:** Recommendation 3 states that if a merger is being proposed, the Department of Transport Tourism and Sport should be required to seek the views of the Competition Authority to ensure that the merger does not substantially lessen competition.

64. The Minister stated that the Department is happy to agree a procedure whilst mindful of the need to avoid creating unnecessary administrative or regulatory burdens.

- **Data collection and performance measures:** Recommendation 6 states that the Department should prioritise the collection and development of new data metrics and port performance measures for larger ports.

65. The Minister stated that the National Ports Policy commits to introducing a number of improvements in the area of data collection and port performance measurement. He notes that while the work programme planning in the area has now commenced, it is at a very early stage of development.

### 3.2.10 *Solicitors and Barristers*

66. The Legal Services Regulation Bill continues to progress through Government. As of 30 October 2014 the Bill was at Report Stage of debate and enactment is anticipated in the first quarter of 2015, followed by the establishment of the new independent Legal Services Regulatory Authority thereafter. The Bill builds on the recommendations the Authority made in its report “*Competition in Professional Services – Solicitors and Barristers*” and other recommendations made by the Legal Costs Working Group.

67. The most important innovation of the Bill and the key recommendation of our report is the introduction of an independent regulator for the legal profession - instead of the present system of self-regulation by the Bar Council and the Law Society. This would be in line with Better Regulation principles and mirror reform in other sectors and in the legal profession in other countries. The Bill provides for the establishment of a new regulator of both branches of the legal profession to protect and promote the interests of consumers.

### 3.2.11 *Advice Provided to Government Departments and Public Bodies in 2014*

<b>Government Department</b>	<b>Topic</b>
Department of Agriculture, Food & the Marine	Fallen Animal Scheme CAP Reforms Beef Industry Issues
Department of Education	Operation of Pre-Schools on School Grounds
Department of the Environment & Local Government	Waste Collection Producer Responsibility Initiatives
Department of Jobs, Enterprise & Innovation	Registration of Accountants Peer to Peer Services
Department of Health	Dentists Act Universal Health Insurance
Department of Transport, Tourism & Sport	Strategy Statement Ports Study Recommendations Pilotage
<b>Public Bodies</b>	
CORU	Codes of Conduct
Commission for Energy Regulation	Monitoring Retail Energy Markets
Dublin City Council	Waste Collection Services
Health Insurance Authority	Regulation of Health Insurance Providers

### 3.3 *Raising Awareness*

68. One of our key objectives, set out in the Competition Act and identified in our current Strategy Statement, is to raise awareness of the benefits of competition, competition law and policy issues and the role and work of the Competition Authority. Our main target audiences for these messages are:

- consumers and the public generally;
- businesses;
- policy-makers.

69. By communicating with these groups we hope to help people understand

- why competitive markets are good for the economy;
- how competition can help Ireland's economic recovery;
- how competition law can help businesses;
- how they can make sure they comply with competition laws; and
- that competition benefits everyone.

70. We also raise awareness through other means, by engaging with other bodies, educational institutions and the media, in order to try and raise the profile of the Authority. We regularly give interviews, write articles and make speeches and presentations to a wide range of audiences.

### **3.4 *Education and Outreach***

71. Our outreach activity to the business community continued in 2014 with the Authority participating in a number of events aimed largely at the SME sector. We took part in 12 events throughout the country during the year, meeting businesses and their representative groups, to help them better understand what their business needs to know about competition law, how we can help them, and how they can avoid becoming victims of anti-competitive behaviour.

## **4. Resources of The Competition Authority**

### **4.1 *Resources Overall***

72. The Competition Authority's grant from the Department of Jobs, Enterprise and Innovation for 2014 was €4,955,000. On 30 October 2014, the estimated, unaudited, expenditure amounted to c. €4 million.

### **4.2 *Human Resources***

73. At the time of writing, the Commission has 85.5 staff out of a sanctioned employment capacity of 106. The shortfall in staff is due to vacancies. Almost all vacancies pre-date the establishment of the Commission, with a small number having been created by recent resignations, transfers and promotions. The reason for the large number of vacancies carried into the Commission from the National Consumer Agency was due to the significant number of temporary staff assigned to the National Consumer Agency following its establishment in 2007.

## **5. New Reports and Studies on Competition Policy Issues**

74. The Competition Authority made a number of submissions to public consultations and was actively involved in public discourse on competition policy issues in 2014 however we did not publish any new reports or studies on competition policy issues in 2014.