

## **Policy decisions on waste management need to support Ireland's competitiveness**

The 2009 update of the Forfás waste benchmarking report published today (Wednesday, 19 August 2009) confirms that Ireland continues to perform poorly relative to a selection of competitor countries and regions in meeting the waste management needs of enterprise. Waste management charges are higher in Ireland than in comparator countries, progress on developing new facilities is slow and we have a heavy reliance on landfill.

Declan Hughes, Competitiveness Division Manager, Forfás said, "In the context of the unprecedented challenges facing the Irish economy and the need to ensure that businesses operating in Ireland are competitive to support sustainable, export-led growth, policy decisions in relation to waste management infrastructures and costs need to support national competitiveness as well as environmental sustainability policy objectives".

"To improve Ireland's waste management performance and to ensure the provision of cost competitive, environmentally friendly waste management services to business, we need to address the barriers to infrastructure investment, such as reducing planning delays, joining up regional waste plans and ending the high level of uncertainty about the future direction of waste policy," he continued.

The Forfás report advocates that a decision on the future regulatory structure for the waste sector should be taken that clarifies the roles and responsibilities of the State in the regulation and provision of waste management services at national, regional, and local level. Other policy priorities identified by the report include the need to coordinate multiple regional waste management plans, to reduce planning lead times and to ensure that waste services are competitively priced.

Due to cost implications for business, the report recommends against further significant increases in the landfill levy and the introduction of an incineration levy, or a cap on incineration, until such time as adequate new alternative waste treatment facilities are operational. The report recommends the need for policy to focus on how favoured waste treatment solutions can be made more competitive. The report also recognises the need for the State support agencies and enterprise to continue to work together to ensure that Ireland matches comparator countries in reducing the amount of waste generated.

## Key Findings and Conclusions

- Ireland continues to have a relatively high reliance on landfill for waste treatment and Irish companies continue to have a limited choice of waste treatment solutions compared to their competitors. In 2007, almost two thirds of municipal and industrial waste was landfilled, putting Ireland in the bottom three of the ten countries/regions benchmarked. Despite significant gains in the past decade in improving Ireland's recycling level, the levels of recycled municipal waste remained unchanged over the two year period 2006 and 2007.
- The cost of waste management in Ireland remains high when compared to competitors. While the market price for landfill gate fees has dropped more recently, landfill costs remain among the most expensive of the benchmarked countries/regions. Biological waste treatment fees in Ireland are the most expensive of the benchmarked countries/regions.
- Waste management infrastructure rollout in Ireland remains slow. A range of infrastructures necessary to meet Ireland's waste management requirements need to be accelerated including: thermal treatment capacity to recover energy from municipal and industrial waste; thermal treatment or landfill capacity for hazardous waste; biological treatment (composting, anaerobic digestion) and reprocessing capacity for recovered materials (e.g. paper, glass, plastic, metal recycled materials).

## Policy priorities from the report

Ireland's comparatively poor performance in the cost and availability of waste management highlights the key policy challenges that need to be addressed to ensure waste is managed in an environmentally effective and cost efficient way. The international waste review by the Department of Environment, Heritage and Local Government, which has been ongoing since July 2008 is vital to creating this policy certainty and addressing the barriers to infrastructure delivery but will need to take into account national competitiveness concerns. The policy priorities which the Forfás report sets out are:

- Addressing the current high level of uncertainty about the future direction of waste policy which is leading to further delays in progressing infrastructure rollout (particularly private investment in waste infrastructure).
- Coordinating regional waste management plans to maximise economies of scale and enable the market to offer more competitive pricing to businesses and households. Ireland's regionally based waste planning framework is hindering the delivery of cost effective, commercially viable waste treatment options as it tends to result in smaller scale, less commercially viable facilities than would be the case if infrastructure planning were done at a national level.
- Due to the already high cost of landfill in Ireland it is critical from a cost competitiveness perspective that further increases in the landfill levy are not introduced until adequate alternative waste treatment facilities are operational and that any incineration levy or cap on incineration should not be introduced until such time as adequate new alternative waste treatment facilities are well established and the use of landfill is reduced significantly. Consideration should instead be given to how favoured waste treatment solutions can be made more competitive (for example, through the use of planning laws, development of relevant skills, research and development, etc.), rather than reducing the cost competitiveness of already high cost landfill.
- Continuing to fast track decisions on strategic infrastructure projects, including those in the waste management sector is of key importance. Delays in the planning process have had a negative impact on the timely delivery of key waste management infrastructure. While the introduction of the Strategic Infrastructure Act, 2006 has been a welcome step in addressing this

issue, it is too early to determine if it has led to an improvement in planning timelines. The introduction of a specialist "Infrastructure Court", to deal with medium to large-scale planning and construction cases, modelled on the successful Commercial Court (a list of the High Court that handles commercial cases of high value), could assist in cutting time and costs of delivery of our much-needed infrastructure.

- Continued and enhanced efforts will be required by Government Departments, agencies and business representative associations to ensure that businesses are fully aware of how best to exploit waste management reduction processes and technologies. Given that many organisations are already working with companies on a range of energy efficiencies, pollution prevention or resource conservation initiatives, continued efforts should also be made to develop a more integrated approach across a range of related issues.

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The full report, *Waste Management in Ireland: Benchmarking Analysis and Policy Priorities*, can be downloaded from [www.forfas.ie](http://www.forfas.ie)