



The Irish Waste Management Industry's Response to EU Waste Legislation

By Mike Wynne, *greenstar*

Introduction:

In the years I have been involved in the waste management industry, I have had the pleasure of establishing and developing businesses in three countries. Most recently I have been working in Ireland with an indigenous Irish utilities company, developing a modern waste management business.

Over the next 10–15 minutes I want to give you some insight into waste management in Ireland but also to touch on a related theme that impacts on how we all operate within our respective markets.

Slide 1:

Before I begin, I would like to give you some background demographic information. Ireland, consisting of 26 counties has a population of 3.9 million people (figure from the 2002 census). The metropolitan area of Dublin, the capital, has a population of 1.6 million (41%), Cork, the second largest city in the country has a population of 0.45 million (11%). In essence, the two largest populated areas of Ireland house over 50% of the country's people. Total waste arisings from 2001 official data was 12.75 million tonnes per annum and this can be broken down as MSW = 1.5m tpa, Commercial Waste = 1.2m tpa, Industrial, Non-hazardous Waste = 6.4m tpa and C&D Waste = 3.65m tpa. The average waste arisings per capita = 375 kgs.

Slide 2:

Since the mid 1990's waste management in Ireland has been going through a period of rapid regulatory and organisational change. The balance between public and private sector provision of services and infrastructure has altered very significantly and both sectors now have to cope with a much more strict regulatory environment.

The key determinant of success in facing the very significant challenges in the waste sector in Ireland lies, in my view, in striking the correct balance between the private and public sectors in their respective roles.

Describing how the market in Ireland has changed over the past 10 years, is the theme I want to touch on over the next few minutes.

There is, by now a consensus that the key to successful, long term and sustainable solutions to waste management in most developed countries lies in a carefully balanced partnership between the public and the private sector.

Looking around Europe and farther a field, there are two broad models:

1. The first is the integrated approach where services and infrastructure are provided by a mix of public and private sector organisations working within the same regulatory framework.
2. The second is where the role of the state is as policy maker, regulator and enforcer while the vast majority of services and infrastructure is provided by the private sector.

From my own experience of working in this industry in several countries, the first of these models is riddled with conflict of interest and inefficiencies while the second generally delivers efficient, cost effective and less complex outcomes that are beneficial to both the public purse and the environment.

For reasons ranging from the ideological to the sentimental and including the powerful force of plain inertia, many countries are stuck with the first model and Ireland is, unfortunately, no different in this regard.

Slide 3:

However, because we started later than most, our policy and legislative environment is still in a process of evolution and rapid change and the balance between public and private is also changing. So, we have an advantage.

Slide 4:

The 1960's and the 1970's in Ireland saw a sector that was completely dominated by local authority run collection and disposal. While collection was relatively efficient, the environmental standard of the landfills, in many areas located in estuaries or in peat land, left much to be desired.

The 1980's and 1990's saw the gradual growth of the private sector, initially to service the waste management requirements of business and industry and then, on an ad hoc basis, to fill the needs of local authorities in the collection of waste. This period also saw a rapid rise in public awareness of environmental issues relating to waste and stricter standards relating to water and air pollution.

Less than 20 years ago the main sources of law on waste disposal in Ireland were two Public Health Acts dating back to 1878 and 1907 and it is only in the past 6 or 7 years that a sophisticated policy and system of regulation has evolved in an effort to shape the development of waste management services and to drive better environmental standards.

Slide 5:

Basically, since 1996 there have been over 30 pieces of primary and secondary waste management legislation introduced in Ireland, and all of these are based on EU directives.

Slide 6:

The key pieces of legislation and policy documents are listed as follows:

- 1992 – EPA Act
- 1996 – Waste Management Act
- 1998 – *Changing Our Ways* – policy document
- 2001 – WMA Amendment
- 2001 – Adoption of the Regional Waste Management Plans
- 2001 – Waste Collection Permits (the missing link)
- 2001 – Waste Packaging Regulations
- 2002 – *Delivering Change* – policy document
- 2003 – Introduction of the Protection of the Environment Act

Slide 7:

The forces that shaped these policies and new laws were initially very much external in the shape of a range of EU directives, initially focusing on water quality and latterly on landfill and wider waste management issues. From the landfill directives to the packaging waste directives, EU policy and regulation has had a profound effect on the Irish legislative environment.

The 1996 Waste Management Act provided a comprehensive statutory framework for the management of waste in Ireland. It focused on the need to prevent and minimise waste and supporting measures for recovery. It introduced IPC licensing for all landfills and required local authorities to prepare waste management plans.

Slide 8:

The 1998 policy document, *Changing Our Ways*, set National Waste Reduction Targets for a 15-year period 1998-2013 to bring about a dramatic reduction in reliance on landfill. These are listed as follows:

- Divert 50% of household waste away from landfill
- 65% of biodegradable waste diverted away from landfill
- Recycle 35% of MSW
- Recycle 85% of C&D waste
- Alternative waste management methods to treat 300,000 tonnes of biodegradable waste p.a.
- Rationalisation of MSW landfills to 20 state-of-the-art facilities
- 80% reduction in methane emissions

To date we have only achieved a 13% MSW recycling rate. On a positive note however, C&D waste recycling is on target.

It also encouraged greater participation by the private sector in the provision of waste management services. Indeed it predicted that almost 70% of the required investment in waste infrastructure would have to come from the private sector.

Slide 9:

By September 2001, every local authority had adopted a plan for managing non-hazardous wastes and most had combined with adjoining authorities to develop regional plans.

The most obvious feature of these plans is a broad recognition that there is a shortage of landfill capacity in most areas of the country and a reliance on thermal treatment as the main solution to this shortage.

Most of the plans were based on studies carried out in the mid 1990's that in turn were based on waste data from the early 1990's. The result of reliance on these out of date data sets was waste growth predictions that were modest to say the least.

As you all know, the Celtic Tiger resulted in increased economic activity and that together with an increasing population (because of the end of emigration) has meant that waste volumes rather than stabilising have rocketed with a 60% increase in the past 5 years. With recycling levels at only 12%, virtually every target and every prediction in every waste management plan is now meaningless. Waste volumes predicted for 2013 were reached last year in 2002.

Slide 10:

While our ability to produce waste is now well established, the ability of the waste plans to tackle the problem is now in serious question. I could talk at length about the wisdom of placing all our eggs in the thermal treatment basket but just as interesting is how the waste plans deal with the private sector.

As I have said, a theme running through all of these policies and acts is the increasing importance of the private sector in achieving the various targets in terms of waste volume reduction and infrastructure provision. This is in line with a broader government policy of greater private sector involvement in infrastructure provision through public private partnerships.

However, contradicting this clear imperative of greater private sector involvement is the reality created by the detail of regional waste management plans, the rigid and legalistic approach of our planning appeals board and also the behaviour of local authorities in protecting what they see as their revenue streams.

The key problems with the regional waste management plans are:

- Firstly, they have effectively ignored the needs of business and industry. Most regions have no provision for Commercial and Industrial Waste and where landfill capacity is tight, local authorities have taken to turning away commercial waste in favour of household waste.
- Secondly, the plans specify in detail the type and the amount of infrastructure that is required. In most cases, waste disposal comes down to just one regional residual landfill with most residual waste designated for thermal treatment. However, huge public and local political opposition to thermal treatment based on health fears has halted any progress in this area. Existing

landfills are nearing the end of their lives and in many cases there is nothing to replace them with.

- Thirdly, where a regional landfill is designated, in most cases the local authority has sought to develop it to retain control over waste disposal and waste revenues. This has resulted in a monopoly where disposal costs are related to the revenue-raising requirement of the local authority, not to the market. Where private sector operators have sought to develop landfill facilities for commercial and non-hazardous industrial waste, the local authorities who are also the planning authorities very often refuse the application on the grounds that the plans only specify one landfill, theirs!

In an even greater distortion of the market, the plans effectively create fully autonomous regions where it is not possible to move waste across borders. One application by my own company to develop a new landfill was turned down on the basis that it proposed to accept waste from another waste region...even if that waste originated only a few miles away -- making a complete nonsense of the proximity principle. (Interesting examples of the proximity issue will bring this to life a bit more)

The net effect of the plans has been to place planning applications for private sector infrastructure in competition with the continued desire of local authorities to develop and operate waste infrastructure. The attitude of the planning appeals board (at least until recently) has been to stick rigidly to the letter of the waste management plans and only grant planning to facilities that are clearly designated.

The end result has been a lot of time lost as local authorities prevaricate about providing the infrastructure themselves as they run into community opposition, while effectively blocking private sector involvement, which is regarded by some in the system as competition.

At the same time, rising landfill costs are encouraging illegal dumping and waste tourism. Many of you may have actually helped to dispose of waste exported from Ireland in the guise of recycled material but in reality destined for landfills in Scotland, England and mainland Europe.

While all this is happening, the key task of enforcement and tackling illegal dumping and export of waste is long fingered or ignored.

But that's the bad side and if I did not believe that things were going to improve I would be advising my company to look to other markets to expand our business.

Slide 11:

There are positive signs. For a start the current Minister for the Environment, Martin Cullen, would appear to be listening to the concerns expressed by the private sector.

The planning board would recently appear to be adopting more a flexible approach and critically, there is increasing recognition that the private sector with its ability to move quickly and its access to capital may be better positioned to solve many of the problems facing the country.

In addition, the Minister has provided more resources to the Environment Protection Agency and set up a new enforcement unit to tackle illegal dumping.

Innovative measures on the prevention side such as including new environmental taxes on problematic wastes such as plastic bags are having a dramatic effect.

For our part, *greenstar* has moved forward with a network of MRF's in the Cork and Dublin areas to handle commercial and industrial waste in the first instance but with a view to taking MSW also. With most of the designated thermal treatment facilities yet to get off the starting blocks, residual landfill will play a part in the Irish waste management scene for some time to come.

In both Dublin and Cork a balance between private and public sector provision is being struck by default with more private sector involvement in collection as well as in recycling and residual disposal.

Slide 12:

The next and perhaps the boldest step that can be taken, and I believe the time is right to take such a step, is for the government to define precisely what the roles of the public and private sector should be. In providing such clarity, there is now an inescapable logic, I believe, in declaring the public sector's primary role as policy maker, legislator and regulator and enforcer. The private sector should then be released to provide the infrastructure and services to reach what are proving to be demanding and challenging targets in respect of recycling and waste minimisation.

Slide 13:

Is there a bright future for Ireland? – Yes I believe there is, otherwise I wouldn't be advising my company to remain in the business. In Minister Cullen, we have a progressive Minister who is action oriented. For example, new legislation adopted this month, has helped close the loop and refocus government attention on a number of key areas outlined earlier such as enforcement and planning.

So, yes I do believe there is a bright future for Ireland – especially if we develop a national framework for waste management. Yes, if we adopt a broader approach to planning. Yes, with the perseverance of the private sector, including *greenstar* and our fellow IWMA members. And, yes – with national leadership.

Then, and only then, will Ireland be able to meet our EU recycling targets.

Thank you.