

**Speech by Minister Alan Kelly, T.D., Minister for the
Environment, Community and Local Government**

IWMA / CIWM National Waste Conference 2015

Carton House, County Kildare

26 November 2015

Good morning Ladies and Gentlemen.

I'm pleased to be here today for the annual waste conference. This conference is one of the foremost events in the waste calendar, giving stakeholders from across the waste industry and waste sector generally an opportunity to come together to share knowledge, share experience, showcase their expertise and products and talk about common challenges. It also provides a useful forum for discussion between regulatory and regulated communities.

That 2-way dialogue is clearly recognised in the way in which the agenda for the day has been put together.

Looking at the agenda here for today's business, it is plain to see that there has been considerable progress made in the development, regulation and professionalization of the Irish waste sector in recent times.

We have a number of reasons to be positive:

- Ireland has met or is on course to meet all of its targets under the Waste Framework Directive, the Landfill Directive, the Batteries Directive, the WEEE Directive, and the Packaging Directive.
- We have made dramatic progress on recycling rates over recent decades. In 1995 less than 5% of household waste was recycled but we now have a recycling rate of approximately 40% for municipal waste. In some categories, particularly those where we have well established producer responsibilities

initiatives or compliance schemes, our performance is much higher and we are among the top achievers in the EU.

- We have ended our reliance on landfilling. While 96% of municipal waste went for disposal to landfills in 1995, recovery now exceeds disposal as the largest treatment option for municipal waste, with 59% of managed waste sent for recovery in 2012. Only 5 landfills are now operating in Ireland.
- We have also turned the page on the most sorry chapter of all in the history of Ireland's waste performance. The landmark judgment of the European Court in case C494 found that Ireland had infringed the Waste Framework Directive by generally and persistently failing to fulfil its obligation to fulfil various articles under that Directive.
- However, recognising the dramatic improvement in waste management and enforcement practices in Ireland since that judgment was delivered, including the remediation of a number of problematic sites, the European Commission closed that case in October.
- Case C494 is no more and that closure is thanks to the efforts of all stakeholders in the waste area from local authorities to the waste industry, the EPA to environmental NGOs.

However, we cannot rest on our laurels. Nor do our recent successes give us scope to ease back when thinking about what is required next. The pace of change in

rethinking waste around the globe, in Europe and here in Ireland demands that we constantly re-evaluate what we do and how we do it.

Today, I want to start a conversation about opportunities for Ireland in dealing with our waste in a more resource efficient way; a way that is good for the environment and good for business. The consultation paper that I am launching looks at the waste resources we produce and use and what we do with them afterwards. It considers the international and EU context in which our waste industry operates. It considers opportunities that exist for Ireland and proposes ways in which we can make it easier for these opportunities to be realised. There are benefits here for the consumer, the citizen, regional communities and the industry if Ireland can organise its use and management of resources with the intelligence that the situation demands.

At the same time, I am conscious that until relatively recently, the waste area and the waste industry have suffered from a lack of policy certainty. If we want a first-class, modern professional waste industry and waste treatment infrastructure, it needs to be underpinned by the right investment framework where investors can see a clear and sustainable policy roadmap ahead. 'A Resource Opportunity' provided much needed policy certainty for the waste area and it remains the cornerstone of our efforts. The consultation paper that I am launching today is looking at ways to deliver on our existing policy objectives, not to re-write them. The waste sector has had enough Grand Old Duke of York moments – this is not another one.

As we anticipate the launch by the European Commission of its Circular Economy package in mid-December, it is critical then that Ireland can demonstrate that it remains at the cutting edge of waste management thinking and that we are ready for the 'off' when it comes. The package is likely to be the flagship dossier for the Dutch presidency during the first half of 2016. Combined with the broader agendas of climate change, jobs and growth, it could not be a more favourable time to develop new thinking and policies on the circular economy and resource efficiency.

As you know, the flip side of our decreased reliance on landfill has been the dramatic rise on the quantities of waste we are exporting mainly to our EU neighbours for recovery. It seems quite illogical to me that at the same time as being reliant on import for our energy needs, we are heavily reliant on export for the treatment of our waste. In other words, we are exporting an energy source that we badly need. In exporting waste resources to other Member States we are unnecessarily exporting commodities that could be better used to generate domestic employment, open up new markets for domestic products and boost domestic economic activity. An upper-end estimate for job creation through the complete processing in Ireland of recyclables and bio-waste is 2,100 jobs, assuming we see the 50% growth in waste generation and 100% recycling of waste material that is forecast by 2030.

So where do we think there might be job creation potential?

- The high potential of plastics recycling to support up to 350 jobs has been highlighted previously by the Rx3 Market Development Programme sponsored by my Department.

- Composting of bio-waste has the potential to create up to 600 direct jobs and possibly as many as 4,000 indirect jobs.
- The processing of residual waste into SRF has the potential to support the resurgent domestic cement industry and assist in the achievement of our targets for the substitution of imported fossil fuels.

The areas considered in the paper and where your views are sought include issues such as policy formulation and certainty; market interventions; the landfill levy; training and development; information and data; the role of citizens; technical standards; as well as broader strategic issues.

I look forward to receiving a broad and robust range of views from all stakeholders. I would encourage you to spread the word of the consultation beyond the immediate waste industry. Development of this sector has far-reaching potential across society and the economy. Let us use this opportunity to awaken others to the opportunities already on our doorstep. The consultation will be open from today until end February.

Enforcement

However, it is an unfortunate reality that the waste business today is not just about innovation and enterprise. Like any industry, there is potential for rule-breaking. Unlike many industries however, rule-breaking in the waste industry can be a very dirty business indeed. It is my job to ensure the regulatory system is fit for modern

purpose; that it is underpinned by respected and credible enforcement structures; that punishments will fit the crime.

Our enforcement system must both educate and deter. It must educate by setting out clearly what behaviour is required and what behaviour is unacceptable. It must deter by setting out appropriate and proportionate penalties.

Environmental enforcement traditionally has been based on deterrence which assumes that individuals and businesses act rationally and will comply with the law where the costs of noncompliance outweigh the benefits of noncompliance.

Unscrupulous actors may, on economic grounds alone, incline towards non-compliance where the likelihood of detection or the scale of the sanction is low.

The job of enforcement agencies is to make both penalties and the probability of detection high enough that it becomes irrational—unprofitable— for firms to violate the law.

Monitor, inspect, and where violation is detected, punish or penalise it.

The likelihood of detection therefore needs to be high and the penalties for non-compliance sufficiently serious that non-compliance is just not worth the risk.

While our compliance rate in Ireland has come a long way, in recent years especially, our system is still not perfect. It would seem a certain minority clearly continues to feel that flouting the law is worth the risk. This challenge will be met head on by the enforcement authorities.

Enforcement is also about more than protecting the environment. It is also about ensuring that a level playing field exists so that the guy who plays by the rules is not at a disadvantage to the guy who cuts corners.

This is when industry - the compliant majority - sees compliance and the enforcement of the regulatory regime by the State or some regulatory authority as a welcome thing. They rightly see it as helping put the rogue trader out of business. Environmental and economic interests converge and bolster the enforcement effort. And I think that is where we are now in Ireland in terms of waste enforcement. Both regulated and regulatory communities want an effective enforcement system.

But we've still got problems. Serious criminality is a problem, particularly in certain parts of the country. Cross border fuel laundering continues to be a serious concern for authorities in both Ireland and Northern Ireland. Recognising this shared concern a Cross Border Fuel Fraud Enforcement Group, comprising representatives from the Police Service of Northern Ireland, HM Revenue Customs, the UK National Crime Agency, the Revenue Commissioners, An Garda Siochana and the Irish Criminal Assets Bureau has been established to target these activities on an all-island basis. Compliance with our food waste regulations is also a major challenge - with only 25% of the total available volume actually being separately collected and

appropriately treated. This doesn't just mean that too much tonnage is going to landfill; it means that a resource that can be used to provide energy or produce compost and sustain businesses and jobs is being buried in the ground. Here, enforcement has an economic benefit as well as an environmental one.

Most people here will be aware that just last month, 3 new lead authorities were selected to drive improved performance and greater consistency in waste enforcement. Following an open and highly competitive bidding process, Cork County Council, Dublin City Council and Leitrim & Donegal County Councils (in a combined bid) were selected as the new Waste Enforcement Regional Lead Authorities for the Southern, Eastern and Midlands, and Connacht / Ulster Regions respectively.

Each of these new Waste Enforcement Regional Lead Authorities (WERLAs) will now have responsibility for coordinating waste enforcement actions within regions, setting priorities and common objectives for waste enforcement, ensuring consistent enforcement of waste legislation across the three existing waste management planning regions while still leaving local authority personnel as first responders on the ground to specific breaches of waste legislation.

The work of the WERLAs will be overseen by a National Steering Committee which is being chaired by my Department. This Committee will determine national waste enforcement priorities for the WERLAs and drive consistency at a central level. Maintaining the momentum behind this important initiative, the Committee has already met to establish the enforcement priorities to be pursued vigorously in the

year ahead and which will be communicated to all stakeholders in the coming week. The Committee has been drawn from representatives from a wide range of regulatory authorities to provide strategic support to the WERLAs to deal with:

- Strategic national waste enforcement issues;
- Serious criminal offenders such as cross-border issues or major illegal dumping in the State;
- Intelligence led and co-ordinated multi-agency enforcement;
- Securing targeted, timely and effective enforcement outcomes.

The composition of the National Committee clearly reflects a more coordinated strategic response organise strategic operations involving targets associated with waste crime and will facilitate more coordinated interagency operations taking place on a regional basis.

The waste industry will also have a role under the new arrangements to improve our enforcement efforts. You will have an opportunity to input to the deliberations of the National Steering Committee through a separate industry contact group which will be chaired by the IWMA and include representatives from the WERLAs, the EPA and the Department. Meetings of this contact group will be based around meetings of the National Steering Committee offering an indirect channel to the Committee itself.

How will we know if the new structures have worked? For example, we should see a greater focus on outcomes; we should see all local authorities working to the same select number of priorities; we should have a system that can tailor appropriate

responses where reasons for non-compliance can range from the confused to the intentionally delinquent; and we should see interagency enforcement as standard procedure and interagency relationships bedded in at national, regional and local levels.

We want to level the playing field, we want to support an economically viable, competitive AND environmentally sustainable waste industry where it just won't pay to cut corners and where the resources invested deliver the best outcomes.

Conclusion

As I said at the outset, we've made considerable strides in Ireland over recent decades to go from bottom of the EU table to a position where we are now meeting all of our targets and are among the top achievers for certain waste streams. We've done that by being agile, creative, determined and through constructive stakeholder engagement that has created a sense of shared purpose.

We have a considerable opportunity to harness all of those characteristics to put Ireland at the forefront of resource efficiency.

I want Ireland to be among the first States in the EU in which the circular economy is not just a concept, but where it is a dynamic and inclusive project.

Thank you for your attention and good luck for the rest of the day.