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A briefing from RSPB Northern Ireland

Estimating potential costs for an independent environmental protection agency in Northern Ireland

The RSPB has produced a paper that examines some of the economic issues surrounding the creation of an independent environmental protection agency (EPA) in Northern Ireland (NI). It presents analyses of the efficiency gains presented by reforming the regulatory system, and the costs of establishing and then operating a new EPA. The key findings of this paper are:

- The cost of operating an independent EPA in Northern Ireland (NI) is likely to be no more than around £30 million/year, depending on the level of service and final structure.
- The upper estimate for the cost of operating an independent EPA is less than a conservative estimate of the current cost of delivering similar services within the Environment and Heritage Service (EHS): £30 million per year and £33 million per year respectively.
- A reorganisation of environmental regulation in NI to create an integrated independent EPA would enable implementation of 'Better Regulation' principles and result in a more efficient and effective system.
- The estimated cost of establishing an EPA in NI and reorganising the other elements of DOE would be no more than £13m over 4 years (approximately £4m for the EPA alone), and could be offset by efficiency gains within circa 5 years.
- The sustainable management and regulation of the environment must be seen as a contribution to the economy.
- A recent study¹ of the role of the natural environment in NI estimated that it currently supports 32,750 full-time equivalent jobs, with a Gross Value Added to the national economy of £573 million a year.
- Clear and consistently enforced environmental standards and efficient regulatory processes are essential to sustaining and improving quality of life for all the people in NI.
- Our analysis demonstrates that a new EPA would entail little or no additional costs and deliver significant on-going benefits.
- Given that a new EPA would entail little or no additional financial costs, there would be no incentive for the new agency to increase charges for licences to fund its work.

We understand the DOE has been charged by the Minister for the Environment with identifying the costs of creating an independent EPA and that this will inform the Northern Ireland Executive's decision on whether to create such a body. This paper has been prepared to contribute to the DOE's analysis and demonstrates that the financial benefits of creating an EPA would far outweigh the costs, financially as well as environmentally.

Measuring the costs and benefits of creating an EPA, both in the short and long term, should be the focus of the DOE's analysis. The DOE's analysis should also investigate any peculiarities in the NI situation that could impact on the costs of creating a new agency, something that is outside the focus of this paper. We look forward to seeing the results of their deliberations and a positive decision by the Executive.

¹ GHK (2007) *The Environmental Economy of NI*.

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