

Submission by  
Quinn Industrial Holdings DAC  
to  
Ireland 2040 Our Plan  
National Planning Framework

Dated: 16 March 2017

**Introduction to Quinn Industrial Holdings DAC**

Quinn Industrial Holdings DAC (the “**Company**”) was formed in 2014 to acquire two of the key divisions of the former Quinn Group.

Construction Industry Supply Limited encompasses three trading entities including; Quinn Cement Limited, Quinn Therm Limited and Quinn Building Products Limited. These businesses manufacture and supply a wide range of materials for use in the construction sector including PIR and EPS Insulation, Aircrete and Dense Blocks, Concrete Roof Tiles, Pre-Cast Flooring, Bulk and Bagged Cement, Tarmac and Quarry Products.

Quinn Packaging Limited is a leading manufacturer of food packaging, supplying every major Irish and Great British supermarket chain and many of the industry’s largest food processing companies.

The Company has a large physical presence employing over 780 people in 17 facilities spread over 1,000 acres on the Republic of Ireland/ Northern Ireland border, an export facility at Warrenpoint in Co Down and an import hub at Rochester in South East England.

Our mission is “*To be a market leader in all of our industry sectors by focusing on innovation, customer care and continuous development of our products and systems, reinforced by supporting, encouraging and developing our people to the best they can be*”.

In recent years, the Company has invested heavily in graduate and post-graduate recruitment, internal technical upskilling and continuous education of its personnel at all levels. It has an active Corporate and Social Responsibility programme and is heavily involved in supporting the local voluntary and community sector.

**Ireland 2040 Our Plan**

As one of the largest employers in the Cavan area, the Company welcomes the opportunity to make a submission to the National Planning Framework; Ireland 2040 Our Plan. Our businesses have been rooted in Ireland for over 40 years with an increasing proportion of our products and services enjoyed in Great Britain. Despite being based in a rural area, over 100km from the nearest port, the Company has found its hinterland to be a very good place to do business with a self-motivated population that is well educated and supportive of entrepreneurial development. The management of the Company are equally focused on ensuring the long-term sustainability of the business in this area for the enjoyment and well-

being of future generations. In this regard, we feel the Ireland 2040 Our Plan is a very worthwhile and timely initiative. Within this framework we would urge Government focus in the following areas:

### Education for Work

Our business depends on the availability of a skilled, motivated workforce that is adaptable to a rapidly changing marketplace. We have found historically that graduates and apprentices are frequently ill-equipped and have little real understanding of the world of work. Most students leave the post-primary education system without having any real concept of what is practically involved in their chosen career and yet they are making college choices that determine that career. Equally teachers and educators in the main do not have the practical knowledge and experience of a real working environment that is necessary to prepare students appropriately for making a college selection or for their first job. This is because for the most part the education system at post-primary level has minimal interaction with industry and runs parallel and separate to the work environment. Our experience is that it is necessary to begin training graduates and apprentices immediately upon recruitment in some of what might be considered basic skills in communication, analytics, technology, quality control, customer service, engineering and work management generally.

Consequently, it is only at that point that students fully understand what their chosen career is all about. Some excel at that stage and some are disappointed. Those that are disappointed represent an unnecessary failure of the system and a significant lost opportunity to provide our young people with jobs that are fulfilling and in which they are motivated. To tackle this issue and to encourage students to consider a career locally rather than moving away from the area in which our business is based, in 2015 the Company started its Schools Programme. This is a pilot initiative with St Michael's College in County Fermanagh. It involved the establishment of a series of practical lines of interaction with the school including; the introduction of paid work experience for lower sixth form students, industry experience days for teachers who came on site and experienced first-hand the work that we were doing coupled with in-school interaction with our engineers working on projects with the teachers and students. We worked with the school to develop a new accredited course in Building Information Management and Revit Design and helped the school by deploying our own qualified trainers to deliver elements of that course in the school. We also assisted financially with upgrading the school technology department, rolling out new software, modernizing the equipment and making it more relevant in how it is deployed in industry.

We have found this pilot initiative extremely successful in that students now have a real opportunity at an early stage, and importantly before they select a university course, to experience and understand the practical side of their chosen career. Because the school now better understands what our business does and needs from new employees, we are having greater success in stemming the "brain drain" from the Cavan/ Fermanagh area with many high-quality under-graduates now considering our business as a long-term career opportunity where they would not have done so before. The school are equally delighted and feel that they have advanced significantly in their technology offering. The Northern Ireland Education Minister<sup>1</sup> recently commended the initiative and encouraged others to

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<sup>1</sup> <http://www.quinn-buildingproducts.com/minister-praises-schools-partnership-programme-with-st-michaels-college/>

follow a similar path. We intend to build upon this initiative with other schools in the periods ahead.

We believe that with appropriate support, a more advanced form of this model can be developed into an important aspect of the education system of the future; one which properly prepares students for work at an earlier stage in a much more practical and beneficial way. We feel that, like our own organization, many businesses will strongly support such an initiative, particularly in rural areas, because of the benefits associated with identifying and retaining staff locally and succession planning. We would encourage the mainstreaming of this type of approach within the education system as a tool to improve it and make it more relevant to the needs of today's industry.

#### Educational Support for Indigenous Industry

Continuing in the field of education and extending on the point above we feel that the education system should be more focused in its support for the indigenous industrial sector. Our home-grown indigenous businesses are the backbone of our economy and yet many of our brightest students are encouraged by the current education system to consider careers in some of the largest multinational organizations many of which do not deep roots in our society. We feel a much greater concentration and focus on developing a modern, skilled and competent workforce in farming, construction, tourism, small-scale engineering and related sectors, which is regionally based to capitalize on existing regional skills, within the education system would create long-term positives for our society which are sustainable. By creating internationally recognized best-in-class regional competency hubs in selected sectors through focused education, our regions become more attractive to inward investment. This in turn complements the existing expertise of our historical skill-base and creates a virtuous circle of continuous improvement.

#### Development and Planning

Many of the products we manufacture are based on the efficient extraction of minerals; limestone, sandstone and shale from local deposits. This extraction sustains the employment and livelihoods of our employees. The maintenance of the skill-sets that have developed within the employment base in this sector are important. At the same time, large areas of mineral deposits have historically been sterilized by surface-based domestic development which has come about through a lack of consideration of potential future industrial development within the planning process. We would suggest that potential domestic development also be assessed within the planning process with regard to the implications for such sterilization leading to an inability to maintain a sustainable employment base in the region.

#### Transport Infrastructure

The completion of the M3 Motorway has greatly improved connectivity between Dublin and Cavan and reduced the time and costs associated with delivery of product from our manufacturing base. The M3 stops at the Meath border however and the lack of a by-pass at Virginia remains an unnecessary drawback for the business. We would strongly encourage investment in this missing link to the North West. Disappointingly the Department of Public Expenditure and Reform publication; *Building on Recovery – Infrastructure and Capital Investment 2016 – 2021*<sup>2</sup> does not include this investment and we feel this is a barrier to future prosperity in the region.

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<sup>2</sup> <http://per.gov.ie/wp-content/uploads/Capital-Plan.pdf>

Additionally, we suggest that a toll subvention mechanism is necessary for regionally-based businesses which depend on road transport for inward and outward deliveries as a means to encourage regional development. By way of example, each round trip for one of our trucks delivering to Dublin or exporting product to Great Britain pays tolls of €24.60 (4x€3.50 on the M3 and 2x€5.10 on the M50). With excess of 15,000 such outward deliveries per year this adds approximately €370,000 to our transport bill in tolls alone. Approximately half of this amount again can be added to the real cost of inward supply delivery which is added by on our suppliers in supply contracts. With no other means of bulk transport available, this is a significant impediment to regional development, notwithstanding our inherent higher transport costs in the first place given our location. We feel this should be addressed within any future transport policy.

#### Waste to Energy

Waste to Energy in the manufacture of cement has a key role to play within the circular economy. In its communication (COM2017) 34 of Jan 2017<sup>3</sup>, the European Union outlines its objectives in respect of the role of waste-to-energy. As a cement producer, we cannot yet agree that this EU intent has translated into active local and national Government support on the ground. In our own plans seeking to implement a comprehensive waste to energy programme using alternative fuels and alternative raw materials in the manufacture of cement we encountered a prolonged, bureaucratic approval process that remains an obstacle in the pro-active deployment of such waste to energy initiatives. This is a lost opportunity and leads to an unnecessary environmental deficit.

#### Commercial Rates

In its policy brief Issue 04.16<sup>4</sup> IBEC urges an overhaul in the commercial rates system. We agree with these sentiments and strongly support the view that too much of this tax burden is shouldered by businesses. A diversification of the tax base is required to encourage the development of local industry.

#### Utility Infrastructure

The north west of the Country suffers disproportionality from the lack of strong utility infrastructure.

The lack of a piped gas infrastructure in the region for example is a concern in the deployment of cleaner fuel initiatives within our manufacturing facilities in Cavan. In this regard the availability of piped gas at Derrylin in Co Fermanagh through the Gas to the West<sup>5</sup> initiative in Northern Ireland presents a very real opportunity to take a positive step forward in respect of utility infrastructure in the Ballyconnell-Belturbet area. With minimal incremental cost the existing line could be extended across the border to Ballyconnell thereby making piped gas available to businesses and private users in the region. This requires a joined-up approach between the Utility Regulator in Northern Ireland and the Commission for Energy Regulation to establish the necessary regulation framework covering both jurisdictions.

While Cavan fares reasonably well in recent surveys related to broadband connectivity speeds, other local counties including Leitrim, Roscommon and Longford do not.

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3 <http://ec.europa.eu/transparency/regdoc/rep/1/2017/EN/COM-2017-34-F1-EN-MAIN-PART-1.PDF>

4 [http://www.ibec.ie/IBEC/Publications.nsf/vPages/Policy\\_Briefs~policy-briefs---february-2016-22-02-2016/\\$File/04.16%20-%20Commercial%20Rates%20Overhaul.pdf](http://www.ibec.ie/IBEC/Publications.nsf/vPages/Policy_Briefs~policy-briefs---february-2016-22-02-2016/$File/04.16%20-%20Commercial%20Rates%20Overhaul.pdf)

5 <http://gastothewest.com/>

Additionally, certain rural pockets have little or no connectivity. It is important that a focused effort be made to ensure rural counties are brought up to par with the rest of the Country in respect of broadband connectivity thereby allowing them to compete for inward investment.

Intermittent and poor mobile coverage remains an irritant to organizations seeking to do business in the border counties. Government should prioritize the rolling out of consistent mobile coverage as a standard and seek to remove remaining roaming costs between Northern Ireland and the Republic of Ireland.

Commercial water charges in Co Cavan are in the top third of counties in Ireland on combined cost per cubic meter. We would encourage the Government to ensure that the Irish Water Tariff for non-domestic users should take account of the CER principles on equity and no undue discrimination, efficiency of use, cost reflectivity, cost recovery, simplicity and stability.

#### BREXIT Related

The possibility of a hard border with everything that could entail is a serious concern to all businesses which operate close to the border or depend on trade with Great Britain and Northern Ireland. The social upheaval potential within our own workplace alone is of deep concern. A substantial proportion of our workforce are employed on one side of the border and live on the other. The associated implications related to movement of worker restrictions are yet unknown but are clearly worrying. Approximately 75% of product manufactured in the Republic of Ireland within our business is exported to Northern Ireland or Great Britain. We would request that a dedicated border county task-force be established immediately with an objective so seek ways to mitigate the harmful effects of BREXIT specifically in the border counties. Government must ensure that new investment is earmarked to dampen the social and economic detrimental effects of an emerging hard-border arrangement on the border counties.

#### Border Corridor

The establishment of a Border Corridor area of special tourism and cultural importance, which is promoted in the same way as the Wild Atlantic Way or the Ireland's Ancient East should be a priority for the North-West region. This would encourage focused investment into the region on both sides of the border thereby mitigating some of the worst effects of BREXIT. By encouraging the promotion of the natural attractions of Cavan and Fermanagh including existing geoparks, Shannon-Erne Waterway, lakes and the strong cultural heritage through the introduction of incentives for the restoration/ conservation of dilapidated and disused heritage assets the area can be developed as a long-term self-sustaining tourist destination.

Thank you for the opportunity to make this submission.

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