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From: [Redacted]
Sent: 12 November 2020 15:25
To: wastecomments
Subject: Response to Deposit Return Scheme - Consultation on Potential Models for Ireland
Attachments: Response to consultation(KM Nov 2020).pdf

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To whom it may concern:

Please find attached my response to the consultation on a DRS for Ireland, whilst not currently a major stakeholder in the area,
I have previously worked with Repak, Alupro Ireland (CEO) and an elected member of the European Aluminium Association (Producer Recycling) working group on the Circular Economy, more recently a co-opted Council member of the CIWM Ireland. My views are my own.

Kind regards,

[Redacted signature block]



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DRS Consultation Document on Potential Models for Ireland

8. Questions

1. The Report recommends a centralised, operational model for Ireland. Do you agree with this recommendation?

Yes, as it would be a stand-alone system, with a transparent method of calculation for units/wt. sold and tonnes collected, with no cross compliance funding, clear target of 90% recycling for specified materials and will have a clear impact on litter. However, the caveat being that a DRS will not provide the tonnage required to reach targets for all SUP, other measures will be required for non-drinks related SUP and those plastic drinks containers not included in DRS (composites and plastic carton, HDPE, flexi plastic tubes and pockets). This is also the case for aluminium packaging, in order to ensure that Ireland achieves the new aluminium target under the new Circular economy Package, in addition to the DRS, the Government, through Repak, will need to ensure that all non-beverage aluminium packaging is collected for recycling, including aluminium foil (tray containers, confectionary and dairy foil) aerosols, tubes, and closures.

The report recommends a centralized system, this means that a centralised scheme would be owned and led by drinks producers placing their products on the Irish market in beverage containers within the scope of the scheme. If Producers establish their own scheme operator or seek to partner with an approved scheme under an existing EPR, this would still entail a separate collection, sorting and management system to that currently in use, a new system for consumers to understand and high cost outlay. Costs for set up, collection and management have been clearly outlined in various submissions, plus reports produced over the past 8 years for Repak and the Dept., the amounts potentially generated from a DRS are equally high and this should be considered carefully in deciding the most efficient and transparent approach to take in system management, to ensure independent targets are met for these materials.

However, with regard to the overall impact on recycling rates by implementation of a DSR alongside a kerbside scheme, SLR (2020) examined the quantities of beverage containers already recycled in Ireland and *assessed the impact on MSW recycling and packaging waste recycling*, of an increase to 90% recycling of those materials. The results were as follows:

PET Bottles: • Total collected = 25,490 t/a. • Uplift from 60.7% to 90% = 29.3% = 7,469 t/a extra recycled. • 7,469 t/a out of a total MSW generation of 2.8 million t/a = 0.27%

Aluminium Cans: • Total collected = c.11,456 t/a • Uplift from 73% to 90% = 17% = 1,948 t/a extra recycled. • 1,948 t/a out of a total MSW generation of 2.8 million t/a = 0.07%

Total Uplift in MSW Recycling rate = 0.34% *The data suggests that a successful DRS would only increase overall MSW recycling rates by 0.34% which would do little to assist with the WFD requirement to increase MSW Recycling rates from the current 41% rate to 65% by 2035, with intermediate targets for 2025 and 2030.* The extra tonnage of PET bottles

would increase the plastic packaging recycling rate from 34% to 36.5%, still well short of the 50% target by 2025 and the 55% target by 2030, again highlighting **other measures will be required with non-DRS plastic to reach the targets.**

REPAK's annual report (2019) states that 14,363 tonnes of aluminium packaging was recycled in Ireland. *REPAK also provides a figure of 73% of aluminium cans recycled for the Eunomia report, with an estimated 12,000t/a aluminium cans placed onto the market, indicating that Ireland has already exceeded the 2025 and 2030 targets for aluminium packaging recycling and therefore a query lies as to why it should be, one of only 2 types of beverage material, included in the proposed DRS, other than to improve recyclate quality which it will do, the inclusion of cans may encourage consumer movement to a less environmentally friendly packaging for drinks, such as laminates and non-PET plastic bottles.*

The effect of a successful DRS on the overall packaging recycling targets would likely be a small % increase in recycling. *However, a DRS would undoubtedly increase recycling rates for PET bottles and aluminium cans, increase the quality and value of collected materials for recycling and would assist Ireland in meeting the SUP Directive targets for 2025 and 2029 and associated targets under the Circular Economy Package – but at a high cost.*

The cost to the consumer and the extra 'management infrastructure' to source separate PET and Alu cans, could potentially be better used by making changes to current kerbside collection for HH and Commercial, improving 'on the go' collection systems (currently in pilot) and detailed analysis of fly ash metals recovered from incineration, if we were looking at overall recycling rates only.

2. If not, do you favour a centralised system:

- a) **decentralised / financial DRS; or,**
- b) **hybrid.**

No, in either of the 2 alternatives 'decentralised' and 'hybrid', the scheme operator does not take ownership of the material, which is currently the case for all MSW collection in Ireland, this provides ambiguity in relation to the responsibility for target achievement. Whilst Producers will contract out collection of their own containers, thereby multiple collectors and different systems under a decentralised system, there is extra cost and yet ultimately Producers still are not the 'holders of the waste' and therefore not the 'owners of the waste', until such time as the returned beverage containers are sorted and stored separately by producers themselves, they do not have ownership of materials.

The sharing of responsibilities under a decentralised system means that **overall governance and accountability is shared by the scheme operator, producers, collectors and retailers, however targets are not mentioned nor how the supply chain can be responsible for target achievement?** Responsibility for awareness raising and outreach may also be shared rather than held by a single entity as under the centralised model. The responsibility on each operator across the system in this model would be laid out in legislation which is positive.

Hybrid – No, the system proposed is the same as decentralised system outlined above in all aspects except that all collectors would collect all Producers cans/PET bottles, which is currently the method in train (no separate containers provided by producers), - however, it is not clear if the ‘source segregation’ as required in the WFD would be complied with in this option and how to address compliance in this regard, as such I would disregard this option.

Note:

The Decentralised system may seem like it will provide a pragmatic solution given Ireland’s current waste management system, from the consumer perspective as well as the Producers in terms of cost, it would tighten the current collection system and apportion responsibility along the supply chain, working along similar collections methods as currently exist. However, there could be serious unintended consequences irrespective of the developing tech options out there to address collection at kerbside, the centralised DRS system as in other countries, would be a more transparent system, less likely to have leakage and fraud, the funds likely to be collected from a DRS are substantial and oversight is crucial, as there is a single body responsible Producers would be seen to take responsibility for their product directly, provide better quality recyclate, and lay the ground for other materials to be similarly included.

3. Are there other models you believe could work in an Irish context?

A DR scheme in collaboration with EPR body, which could provide a collection and material ownership agreement with waste contractors, and is independently regulated.

DRS – is owner of the waste regardless of waste holder & is responsible for target attainment

EPR packaging scheme – must ensure all DSR material is provided to DSR by contractors, thereby avoiding double counting or loss to the DR system

Waste Companies – specified contractual agreement to collect all DRS materials separately, in a prescribed fashion and store as prescribed by the DRS (holder of the waste)

Retailers – Contract to ensure Deposit received is separately noted on till receipt and remains in legal ownership of the DRS,

Costs associated with RV machines, separate collection and/or storage space is covered by DRS. Packaging RFID coding and / or appropriate stickering for all DRS material must be ensured by retailer before sale –failure to do so must be a statutory offence and subject to fraud. Internal and external auditing and risk management must be funded by the DRS.

The capture at kerbside is currently the main source of collection by %. Segregation at source for kerbside is essential to producing a quality product, as with other systems (Belgium, UK) clearly, separate material for collection – not mixed in with MDR is essential to improve quality.

In conjunction with DRS, which should be provided at all retail outlets of specified materials (including small shops) should provide for DRS, space being prime in some locations, smaller retailers will need to be provided for in this regard, Civic Amenity sites, retail outlets and campuses as well as tourism and visitor attractions and festivals/gatherings, where cans and bottles are permitted for onsite sale or personal consumption, including those where cup deposit systems are in place (Heineken cup scheme), should also provide mobile DR machines onsite or alternative separate collection system for can and PET bottles under DRS guidelines.

There will still be DSR materials in HH and Commercial wastes irrespective of refund value, these materials must be kept separately to MDR, in clear bags. Possibly these materials, collected by the waste companies, could be sold to the DRS as no refund will have been given to the consumer, legal provision must be made to ensure these materials, be returned to the DRS.

The DRS would most likely require two independent bodies, the costs of which are included in the deposit scheme and legislated for. The first, a single accredited organisation, acts as the Scheme Administrator and runs on a not-for-profit basis. The second, a regulatory body, has oversight of the scheme and its administration. It monitors and reports collection, sorting and other scheme costs, audits member declarations to prevent free-riding and checks that legal obligations are being met, the costs of the regulatory body are covered by the revenues from producer fees and from sales of recyclate..

The accredited organisation for the DR scheme has two main sources of funding other than the deposit itself: producer fees (currently) and the revenues from the sales of sorted recyclate. The costs to collection companies, local authorities and commercial waste management companies, for the collection and sorting of source segregated DRS materials, if these activities are compliant with the scheme requirements e.g. collection method, frequency of collection, levels of permitted contamination, and fall within a specified price range, collectors and sorters of household/commercial beverage packaging have their costs fully reimbursed by the scheme administrator.

What role should waste collectors play in the operation of a DRS?

1. Stakeholder
2. Service provider to the DRS.
3. Potentially client of DRS, where DRS materials in the HH and Commercial MSW are returned, once the collection method, frequency of collection, levels of permitted contamination fall within a specified range as provided by the DRS.

The DRS study proposes a deposit per container of €0.20. Do you think this is appropriate? If not should it be higher or lower or should different deposit rates apply depending on container size?

The deposit primarily, should be in line with other systems in jurisdictions in close proximity and reflective of the tipping point needed to encourage the return of the container, in this regard it is appropriate.

Regarding differing rates relating to differing container size, it is important to implement a variable rate of deposit based on the size of the container, as otherwise there will be a marked effect on market. (Report conducted on the proposed Scottish model shows movement to material of least cost – unit cost on items in multi packs will be disproportionately affected). Differing rates have been successfully introduced by Scandinavian DR Systems, in Norway (two values of deposit), Sweden (two values of deposit), Denmark (three values of deposit) and Finland (four values of deposit). In these countries consumers clearly understand a system where different pack sizes have different deposit levels.

Consumers need to know about a DRS long before it becomes operational – do you have any suggestions as to how best the introduction of a DRS can be communicated to the public?

As this is a change to the ‘normal collection system’ as seen all consumers and users of the current waste management system, it must be seen as part of an overall campaign on the change in waste management and a move to the circular model of resource management.

There has always been a lack of co-ordinated messaging regarding resource management, from the public’s viewpoint. We must take this opportunity to engage the public in the Circular Economy, educate on the broad principles of circularity and movement away from a single use throwaway society, whilst clarifying changes to our current waste management system under the new Waste Action Plan for the Circular Economy. This campaign will require on-going communication and could be budgeted for as part of a long-term strategy for the DRS in conjunction with other stakeholders.

What enforcement measures should be considered in parallel with the introduction of a DRS?

As outlined above in alternative model -

Two new bodies could be set up, the costs of which are included in the deposit scheme and legislated for. The first, a single accredited organisation, acts as the Scheme Administrator and runs on a not-for-profit basis. The second, a regulatory body, has oversight of the scheme and its administration. It monitors and reports collection, sorting and other scheme costs, audits member declarations to prevent free-riding and checks that legal obligations are being met, the costs of the regulatory body are covered by the revenues from producer fees and from sales of recyclate.

A regulator would need to be appointed to monitor the performance of the Scheme administrator. The appointed regulator should request and review annual reports that detail performance of the Scheme Administrator against the capture rate target and strategic objectives of the DRS. Sanctions must be put in place and enforced if the Scheme Administrator fails to adhere to reporting requirements and meet the capture rate target.

An appointed regulator would also have a role in monitoring and enforcing waste compliance such as waste storage, transport and treatment of deposit return beverage containers in conjunction with statutory waste regulators. Illegal trading practices with regards to DRS compliance will also need to be monitored by an appointed regulator, specifically in relation to financial fraud.

How should cross-border issues be treated to ensure producers are not at a competitive disadvantage relative to producers in Northern Ireland?

Pinsent Masons environmental law firm raises concern with the approach taken across the devolved administrations in the UK, given the potential for cross-border fraudulent activity. There are similar implications for Ireland where our intention to introduce a deposit return scheme, is in isolation. A harmonised approach across Great Britain, and Northern Ireland, would reduce the potential for fraud, whilst making production costs, labelling and infrastructural cost more efficient. The vast majority of product relating to cans and PET is produced for both markets UK and Ire, providing a coherent strategy following a time line and similar fee structure with NI and UK would negate potential negative impacts regarding fraud and production cost. A collaborative cross-border approach would be encouraged.

End of submission.