From:	
Sent:	12 November 2020 13:18
To:	wastecomments
Subject:	Deposit Return Scheme - Consultation on Potential Models for Ireland
Attachments:	Irish DRS Consultation Response - Sustainability Care Ltd.pdf

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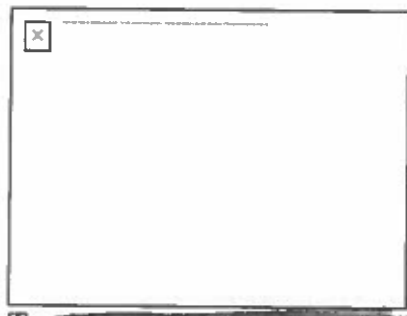
Dear DCCAE

Please find attached a response to the Consultation on the implementation of a Deposit Return Scheme for Ireland.

Yours sincerely

Managing Director
Sustainability Care

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12th November, 2020

Att:- Department of the Environment, Climate and Communications

To whom it may concern

Attached please find a response from Sustainability Care Ltd. to the Department of Environment, Climate and Communications for the Deposit Returns Scheme, Consultation Document on potential Models for Ireland.

Sustainability Care is an international sustainability consulting and private management firm, created in 2019 by myself, Jean Cox-Kearns following 20+ years working in Environmental Sustainability, Circular Economy and Regulatory Compliance.   Sustainability Care provides Sustainability and Circular Economy services to Small, Medium and Large organisations providing project based and/or ongoing support for its clients.

Our solutions are designed to meet the specific needs of our clients and range from the development of product roadmaps, research projects, regulatory development of Environmental Sustainability plans, goals and programmes.   We also monitor environmental factors and regulatory developments impacting the sustainability of our clients.

From 2015 – 2018 I worked for the Reverse Logistics Group in Germany as executive vice president of their Environmental Compliance Solutions Division, and during that time I ran the Germany DRS, as RLG is the operator, in addition to running a number of WEEE, Battery and Packaging schemes across Europe, the U.S., South America and Vietnam.   This response will be based on my expertise in terms of the operational management of the German DRS.   I also spent time on the Board of WEEE Ireland.

The activities and services offered by Sustainability Care Ltd. can be found at https://www.sustainabilitycare.com/services/.   We see the commitment to a DRS by Ireland, as part of our Climate Action goals, as a key step forward and are willing to support the Government in any way possible.

Yours sincerely

Jean Cox-Kearns
Managing Director

Sustainability Care Consultation Response - DRS

The Consultation is asking a series of questions, all of which Sustainability Care will respond to, however in addition we will include some insights and recommendations to ensure that the solution engages and includes all current key stakeholders.

This is a fantastic opportunity for Ireland to implement a system with a best available technologies, taking on board the challenges of existing systems and making the Irish DRS System successful from implementation.

The questions asked by the Consultation are:-

- The Report recommends a centralised, operational model for Ireland. Do you agree with this recommendation?
- If not, do you favour a: a) decentralised / financial DRS; or, b) hybrid.
- Are there other models you believe could work in an Irish context?
- What role should waste collectors play in the operation of a 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?
- 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?
- What enforcement measures should be considered in parallel with the introduction of a DRS?
- How should cross-border issues be treated to ensure producers are not at a competitive disadvantage relative to producers in Northern Ireland?

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

Based on the Size of Ireland, population and rural/urban structure it makes sense that the DRS is operated as a centralised operational model. This would most likely make the system be significant for the operator and ensure ongoing investment into the system. This is the model that tends to be used in Ireland which we can see with the likes of Repak for packaging. For WEEE there are two operators plus the WEEE Register and Black Box. Splitting the system down into multiple operators may result in issues or challenges within operations that will be harder to identify and root cause. With the right level of reporting related to key performance indicators and service level agreements a single operator can be much more responsive and accountable. The key issue will be to have a single operator with good governance and active stakeholder engagement. One that will bring all stakeholders to the table and have open book transparent operations.

Stakeholder Map:-
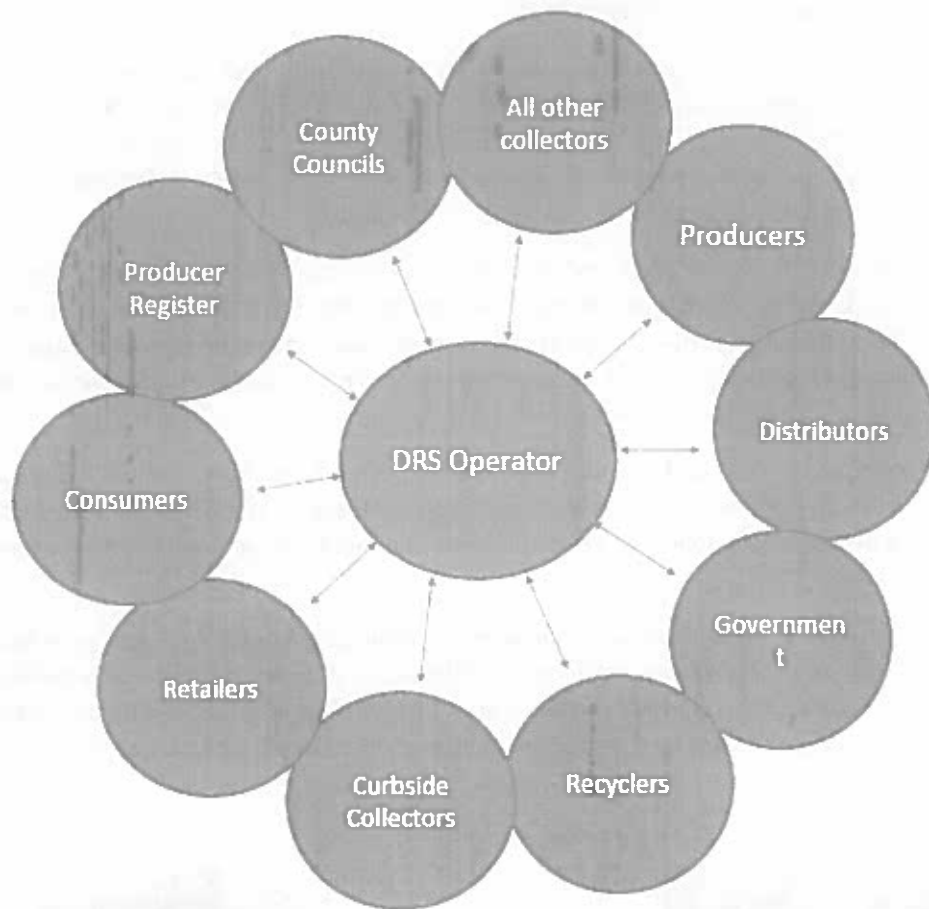
Next we would like to incorporate questions 2 & 3 into this response:-

2. If not, do you favour a: a) decentralised / financial DRS; or b) hybrid.

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

The technology used to manage a DRS is critical in the choice of which model to adopt operationally. Traditional methods of managing the labelling on the products has proven to be limiting in terms of how systems can be implemented. Newer technologies allow for broader participation into the system and allow hybrid or decentralised models to work better. So, the choice of the technology is the real enabler for the system to allow for multiple types of collection, broader stakeholder participation and fraud prevention (which is an ongoing problem with older technologies).

The technology that needs to be considered for this system from the start is a Serialisation approach with each individual product being placed on the market having a unique Serial number. This would ensure that each item is only counted once, and items not presented for rebate and recycling are able to

be counted and identified by volume and by brand. This type of approach allows for multiple collection methods to be part of the system as the system can work with Consumers, Apps, Smart bins, Hand held scanners (low investment) and RVM's. Effectively this type of system would allow for unlimited stakeholder to participate in the system.

The importance of fraud management through serialisation should not be discounted. With unique serial numbers for every individual product once a returned bottle or can has been scanned the serial number will be deactivated so it cannot be claimed more than once. This would definitely be a win for the producers who will be funding the system. The amount of fraud in traditional DRS systems is hard to define but in Germany it is estimated to run into millions of euros.

Using serialisation also reduces the likelihood of the bottle or can not being read, which is a problem with the system in Germany. The current system relies on lots of pictures being taken of the product as it falls into the RVM, and if the bottle or can has been flatten or damaged then the current label cannot be read. Working with serialisation this is not a problem and so materials returned can in fact be any shape or size, as long as they are fixed form.

Products that are not presented back into the system for deposit refund can be identified and quantified and after a period of 18 – 24 months the deposit held can be released. In this system these unclaimed funds could be allocated for the following year and this would reduce to some extent the cost for the producers in the system.

Another issue solved with the use of Serialisation is how to manage consumers returning products to retailers in rural locations. The investment to put an RVM into a store is significant and would have a long pay back. In rural locations retailers could invest in a handheld unit at a nominal value that would allow them to scan back in products into the system and refund the deposit to the consumer.

Devices that work well with
Serialisation managed DRS
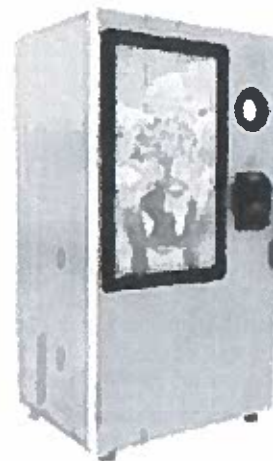
DRS is not dependent on RVM's
for returning packaging

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

Using Serialisation on the products opens the doors for waste collectors to be a vital part of the system and even allow them to earn revenue for providing the collection service. The majority of our bins are already identified through smart labelling, allowing the weight of our bins to be allocated to the household. Under this system householders would download an App, scan the serial number of the empty bottles and cans they are recycling and then put them into the green bin as normal. The waste collector will collect the bin and at the collected items will be verified, triggering two activities:-

1. Payment to the householder of the deposit amount

2. Payment to the waste collector for every item reported as collected plus a handling/collection fee

5. 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?

If it is only possible due to technology to implement one deposit then this, based on the study completed seems to be the right level for the deposit fee. This amount is enough that you notice it and want to reclaim it. However, it should be noted that if using serialisation then there is the possibility to have fees directly related to the type of material the product is contained within. Plastics could have a higher fee than Aluminium for example, and plastics could have fees that related directly to the recyclability or lack of recyclability of the plastic being used. Companies with greener materials for packaging would end up with lower fees and this would also be noticed by the consumer. Consumers would take notice and act. Producers with more recyclable packaging would be rewarded financially but they also could potentially benefit from consumer loyalty, be identified as 'Sustain Worthy' Brands.

6. 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?

The DRS will need to be socialised before it arrives and over a reasonable period of time. This could be done in a number of ways:-

1. Successful operator has an awareness and education budget built into the program. This would be similar to budgets for awareness in other Compliance Schemes. With this they can:-

   - Take adverts in papers to announce the upcoming DRS
   - Have the bin collectors put an easy peel sticker on the lid of our green bins
   - Have retailers promote it in the Drinks area of stores
   - Dispatch education packs to Schools as schools may want to run collection events as fundraisers.

2. Producer's could add a promotional QR code to their packaging which, when scanned, will give you the info on the upcoming launch of the DRS in Ireland.

3. Review some of the more successful campaigns run by WEEE Ireland for recycling awareness and the Producer Recycling Fund and adapt these for the DRS.

4. The system should highlight the overall environmental impact of the DRS, highlight the potential increase in collection rates, the impact of the DRS in terms of the Circular Economy.

Circularity of the system

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

The challenge is the cost of enforcement versus the benefit. There will of course need to be enforcement measures for companies who ship in and sell product that is outside of the DRS – Free Riders and these should be prosecuted.

The overall goal of the DRS should be to capture back as much material as possible and to reward the producers who are providing the most environmentally sound packaging. Even reuseable packaging should be part of the system so that the producer is rewarded.

Fines should be imposed on:-

1. Producers who do not register

2. Producers who fail to properly label their products

3. Producers who do not meet their financial obligations for the system

4. Producers who commit fraud

5. Retails who do not wish to participate in the take back and refunding of the deposits

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

In addition to capturing the individual serial number of the product the operator will also be able to capture the EAN code, capturing the country of origin. If significant numbers of products are showing in the system with N.Ireland EAN codes, and therefore with no funding attached to them, a detailed report by numbers and product types can be produced monthly for the Government. The suggestion would be to manage and treat the material in the system they have come into, the Irish DRS but reporting would enable the government to look for funding for recycling from N.Ireland.

Serialisation – the benefits and possibilities

Currently the DRS is looking to manage Aluminium Cans and Plastic Bottles however in the future there are many possibilities that could be added:-

1. The system can be expanded to include many additional form factors and include products such as cleaning product, toiletry product and beauty product packaging, and more, with any size or shape being possible.

2. The system can be used to manage Product Recalls.

3. It can be used to validate the authenticity of products – many producers struggle with fake products being put on the market. Consumers can be educated to identify authentic products from fake based on labelling.

If I can be of any support please let me know. I would be happy to help, even with some modelling of the system and the cost.