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Cc: Leslie Carberry
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To whom it may concern,

Please find attached a response from Beuparc Utilities to DECC's Circular Economy consultation document. Should you require any clarification or elaboration on any of the points made, please do not hesitate to contact me by return e-mail or on the below number.

Yours sincerely,

David Tobin



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May
2021

DECC Circular Economy Strategy
Consultation - A Public Consultation
Response from Beuparc Utilities

DAVID A TOBIN

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Introduction

The circular economy is a central component of the EU Green New Deal and forms a part of the EU's Circular Economy Package.

Beuparc is the parent company of Ireland's largest waste and recycling business; Panda/Greenstar. As a leading company in the circular economy, processing over 3 million tonnes of waste annually across Ireland, the UK and the Netherlands and achieving a recovery rate of over 90% across its collection network, Beuparc warmly welcomes developments in this area.

As part of our circular economy activities, we recently commissioned our first LDPE film recycling facility. We are also in the process of developing a PET recycling facility in Portlaoise. Our business is at the centre of converting discarded resources into new products and we are well advanced towards realising our ambition of becoming Europe's leading circular economy company. Beuparc prepared a consultation response to, and has warmly welcomed, the government's progressive Waste Action Plan for a Circular Economy. We have also contributed a consultation response to the EPA's End of Waste guidance notes. We believe that the circular economy is an exciting area for new enterprise and employment and will greatly assist Ireland in both decarbonisation of its economy and also in the creation of a sustainable green economy.

As part of our desire to achieve improvements in the circular economy in Ireland, we welcome the opportunity to participate in DECC's circular economy consultation. We have a number of constructive comments with regard to . Our comments are set out below using the same headings contained in the consultation document. We are happy to provide elaboration, or clarification, on any of the points made.

Key Message

Beuparc is, at its core, a resource recovery company. Our business was founded on the basis of minimising disposal and extracting and selling metal recovered from waste. We have evolved from a company where the two sole employees recovered metal by hand from skip waste, to a business employing more than 2,500 people on 44 sites in Ireland the UK and the Netherlands.

Annually we manage over 3 million tonnes of discarded resources. We trade in recyclate, produce SRF for the cement industry, recover and sell gypsum to plasterboard manufacturers, produce wood chip for new wooden products, RDF for EfW and manufacture compost. This year alone we have invested over €15M in a state of the art LDPE recycling line, which has allowed us divert our own plastic away from recyclers in south east Asia, to our own manufacturing plant where we make a growing range of recycled plastic products. We are also about to commence development of a new PET recycling facility in Co. Laois that will recycle discarded beverage bottles back into new beverage bottles.

We look forward to positive and collaborative engagement with all stakeholders towards the goal of creating a strong circular economy in Ireland.

We feel that producer responsibility/polluter pays is a critical element of a circular economy as a mechanism to provide a fiscal driver for resource conservation and recycling. Other areas in need of attention are:- timely end of waste decisions, product certification to allow confidence in the use of recycled products, minimum recyclate contents, fiscal measures for encouragement of the circular economy and preservation of primary resources, and mechanisms to allow diversion of re-usable bulky goods from waste streams.

Specific Questions

Do you agree with the draft strategy's proposed key objectives?

1. This strategy's first key objective is to provide the initial framework for the actions to enable the realisation of that policy, and to promote public sector leadership in adopting circular policies and practices.

2. Specifically, by 2030 Ireland's ambition is to significantly improve its circular material use rate (in both absolute terms and in comparison with other EU Member States) so that our national rate is above the EU average by the end of this decade. Achieving this improvement in the circularity gap is the second key objective of this Strategy.
3. To raise awareness amongst households, businesses, communities and individuals about the Circular Economy and how it can improve their lives.
4. To support and promote increased investment in the Circular Economy in Ireland, with a view to delivering sustainable, regionally balanced economic growth and employment.
5. Identifying the economic, regulatory and social barriers to the development of the circular economy in Ireland, and the development of solutions, will be an ongoing priority and is the fifth strategic objective of this Strategy.

It is Beuparc's view that the above strategies are acceptable, however we would strongly encourage DECC to consider the economic drivers that gave rise to the linear economy and how fiscal measures will need to be employed to discourage linear consumption and tip the balance towards circularity.

For many materials/products, there is no financial incentive to repair, reuse or recycle; It is simply cheaper and easier to discard and replace. There are lots of examples of this, but in terms of national tonnage figures this is most obvious in the construction sector. Irrespective of issues of end of waste and product certification, it is cheaper to use primary aggregates in a construction project, than it is to wash, process and reuse construction and demolition aggregates. In regions such as SE England, Switzerland and the Netherlands where primary aggregates are more expensive through local supply constraints, levies or minimum recycling contents, construction and demolition aggregates are widely used and disposal is limited. While disposal levies are already deployed by Government, it is our view that other fiscal measures should be considered as a means of increasing circularity. These measures could be:-

1. Wider application of extended producer responsibility schemes
2. Primary resource taxation or,
3. Minimum recycle content.

Do you agree with the overall level of ambition set out in the draft Strategy? If not, is further ambition needed or is the draft Strategy overly ambitious?

We feel that the ambition to be *above the EU average by the end of the decade* could be improved. With the right legal and fiscal framework, there is considerable potential for Ireland to become a global leader in this space, with significant economic and other benefits accruing to the state. This is particularly relevant, given the State's high dependence on imported resources.

Should Ireland measure its progress in achieving a more circular economy relative to its European Union peers? If not, what alternative benchmark should Ireland adopt and why?

Ireland should measure its progress against two benchmarks. Firstly, it should measure its performance relative to its EU peers. Secondly Ireland should measure its progress in absolute terms using metrics published in the circularity gap report. This twin track progress measurement will allow for adoption of EU best practice and allow a measurement framework

Would you rate Irish public awareness of the circular economy as high, medium or low? And how important do you think raising public awareness is to further developing the circular economy?

Public awareness of this issue is very low. The public have embraced concepts such as recycling and have a good understanding of elements of the circular economy such as ocean plastics, but the overall concept is not well understood and is not translating into lower consumption and waste generating patterns. Indeed the marketing/advertising pressure to consume is probably something that cannot be countered through raising awareness.

We are not convinced that raising public awareness of the circular economy is as important an issue as producing adequate frameworks and fiscal measures to enhance and reward circularity. The circular economy is a complex area, and it incorporates highly technical elements such as life cycle assessment and carbon foot printing. Convincing busy people that their purchasing decisions have real world macro-environmental consequences is a vast undertaking. Particularly so, when there are strong interests vested in the linear economy, many equipped with endless marketing budgets. We feel that there is a potential for the complexity of the issues surrounding the circular economy to be exploited in negative campaigning and greenwashing. Also, there is possibly a potential for green weariness on the part of the public following repeated pandemic lock downs. Therefore, well intended measures that are seen to discourage consumerism may be strongly resisted.

Whilst public awareness and support is needed, raising public awareness of the importance of the circular economy will have to be done in a careful manner so as not to confuse, or demotivate, the public.

What are the most effective awareness raising measures that could be taken under the Strategy?

The concepts used by the Circularity gap report are very useful. The idea that we are using the resources of multiple earths is well worth promoting and ties in with energy saving, carbon reduction, biodiversity, BER certs, electric cars and other environmental measures being undertaken as part of the programme for government and international obligations.

Are you satisfied with the proposed stakeholder engagement arrangements in the draft Strategy? Which additional stakeholders (if any), not already part of the Waste Action Group, do you think should be included in the Strategy's implementation?

As this is a new economic area, with aspects of producer responsibility, eco-design, regulation, community interaction, resource recovery and recycling the establishment of the Circular Economy Advisory Group is an excellent mechanism to foster a collaborative approach to the transition from a linear to a circular economy.

We very much welcome an opportunity to share our perspectives from within the resource recovery business and to play a positive role in this area.

In keeping with our views, expressed above, on the importance of the role of fiscal measures in encouraging the transition from a linear to a circular economy, we would suggest a potential role for the department of finance, or other economic policy expertise in addition to the main actors in the circular economy identified in Annex 2 of the Pre-Consultation Document. We feel that there is a potential for this area to become a net fiscal contributor and assist the state in broadening its tax base, through the taxation of environmentally harmful products and practices.

What do you see as the major economic and/or social co-benefits of moving towards a more circular economy in Ireland, so that environmental improvements also provide economic and social opportunities, and vice versa?

In line with the views expressed by the IWMA, we suggest that the major benefits of the Circular Economy for Ireland are as follows:

- A reduction in carbon emissions and the associated impact on climate change, which in turn protects our existing resources such as biodiversity, agriculture, water supplies, etc.
- Meeting EU waste management, energy and environmental targets – a failure to do this would lead to significant financial penalties that would be harmful to our economy. It is better to invest in a successful future than to pay fines for failure to meet those targets.
- Greater self-sufficiency with less reliance on imported fuels, raw materials and products.
- Our natural resources, such as aggregates and peat, can have their life extended by use of alternative materials sourced from the recycling industry.
- Employment opportunities in re-using, recycling, re-processing and using materials derived from wastes sourced in Ireland.
- Socially, we expect that people get satisfaction from engaging in sustainable circular practices and moving away from the 'throwaway' society that has developed and accelerated in the last few decades.

In addition, we see an opportunity for Ireland to become a leader in the space of resource protection, gaining a lead in a new economic growth area.

What do you see as the major regulatory barriers to the further development of the circular economy in Ireland? In answering this question please feel free to address economy-wide issues or those affecting your sector in particular.

There are a number of key areas that need to be addressed.

1. End of Waste/By-product/Intention to Discard
2. Producer Responsibility/Polluter Pays
3. Product Certification

End of Waste/ By-product/Intention to Discard

These are areas of the circular economy in need of most attention. It is also the area where the regulatory measures can make the most significant, immediate and positive contribution to the circular economy. The circular economy cannot advance without a reliable and prompt regulatory system that allows resources to be legally recovered from waste and that avoids classifying valuable materials as a waste in the first place.

Beuparc is, at its core, a resource recovery company. Our business was founded on the basis of minimising disposal and extracting and selling metal recovered from waste. We have evolved from a company where the 2 sole employees recovered metal by hand from skip waste, to a business employing more than 2,500 people on 44 sites in Ireland the UK and the Netherlands. We trade in recyclate, produce SRF for the cement industry, recover and sell gypsum to plasterboard manufacturers, produce wood chip for new wooden products, RDF for EfW and manufacture compost. This year alone we have invested over €15M in a state of the art LDPE recycling line, which has allowed us divert our own plastic away from recyclers in south east Asia to our own manufacturing plant where we make a growing range of products. We are about to commence a new PET recycling facility that will recycle discarded beverage bottles back into new beverage bottles.

Repeatedly we have made end of waste applications to the EPA, where we have sought to drive innovation in the circular economy by converting waste into new products. As evidenced by our growth from 2 people in 1990 to our current scale of operations, we are a fast moving company. However, we remain at our core a resource recovery company. We are now waiting 2 years for EPA engagement on some of our End of Waste applications. Such delays and the lack of engagement on “end of waste” are not compatible with the circular economy and significant and urgent steps must be made by the EPA within its Circular Economy programme, in this specific area, if Ireland is to move towards a circular economy.

Put simply, there can be no circular economy unless materials can legally transition from waste to product.

Producer Responsibility/Polluter Pays

There is too simply much non-recyclable goods, products and packaging on the market. This needs to be addressed through extended producer responsibility, and modulated packaging charges. Only when producers are held to account financially for their products, will measures such as eco-design and circularity take hold.

We note from the Waste Action Plan for a Circular Economy, that there is a commitment to achieving a 65% recycling rate and that DECC is considering imposing such recycling targets on collectors.

In our response to the consultation on the Waste Action Plan at the time we said:-

3.6.1 Collectors will be required as a condition of their waste collection permit to meet municipal waste recycling targets (i.e. will be required to achieve a 55% recycling rate of municipal waste by 2025, 60% by 2030 and 65% by 2035).

Beuparc Response:-



Figure 1 Recyclable, but at what cost? Where? And who pays?

We are concerned that one of the first policy measures in a new Policy Document for the Circular Economy opens with the suggestion that recycling targets should be imposed on waste collectors.

Panda has led the way with recycling, through the development of an advanced contamination detection system (CDS) various end of waste applications, and continuous improvement of its MRF. The CDS system is being rolled out across our brown bin and green bin collection fleet and through appropriate engagement with our customers the CDS is making a dramatic difference to contamination levels. However, just because a material is clean and can be separated does not mean it can be recycled economically. For example, see figure 4 above.

If mandatory recycling targets are imposed on our business, as collectors we have a significant concern that we could be prosecuted for not reaching the above targets, despite having very little control over the contents of bins or how recyclable materials are.

It is the vision of Beuparc to become Europe's leading company in the circular economy and as a result we actively want to maximise our recycling figures. However, we strongly believe that the insertion of a condition mandating the achievement of municipal recycling targets on collectors is unworkable for the following reasons.

- 1. The resource recovery industry cannot recycle non-recyclable materials. Economically un-recyclable materials will not be recycled without wasteful subsidies or increased customer charges. For example, there is no commercially sustainable recycling option for a significant amount of packaging and end of life products that end up in MSW, e.g. plastic films such as that illustrated in figure 4 above.*

Beuparc wants to maximise recycling of resources for the circular economy, but if a material cannot be recycled, it will remain unrecyclable irrespective of any targets imposed. It is the view of Beuparc that Eco-design measures must be incorporated into product and packaging manufacture to allow for materials to effectively re-enter the circular economy at end of life.



Figure 2 Irrespective of targets imposed, a significant portion of packaging is wholly unrecyclable.

2. *The imposition of mandatory recycling targets on the collectors is against the polluter pays principle as it is seeking to transfer environmental responsibilities away from the waste producer/consumer and onto the collector.*

For example, the waste volumes received by the collector are constant, and as experienced through various system shocks (current India paper restrictions, Chinese National Sword Policy etc.) recycling outlets/markets can be highly volatile. Therefore the only mechanism that the contractor has to deal with fixed recycling requirements will be to impose increased costs on the customer. This will be economically inevitable, as collectors will be forced to provide a fiscal incentive to the recycle off taker in order to guarantee steady outlets. To the average customer this will look like price scalping, it won't be understood as an environmental cost and will potentially increase illegal dumping.



Figure 3 Everything here is plastic, everything here ends up in our collection centres, but how much can we recycle?

3. *The department must recognise that not all recycling is equal. For example, in the past much so called "recycling" was simply the transfer of mixed materials to developing countries, with no accounting for the environmental impacts associated with the transport and the processing of recyclate in the destination countries. It is the view of Beuparc that the majority of recycling should be*

local to Ireland, the EU or at least subject to equivalent environmental controls as apply in the EU. In many cases, local recovery is likely to be preferable from an environmental life cycle assessment perspective, when compared with long haul recycling and the non-inclusion of external environmental/social costs in long haul destinations.

4. *A significant quantity of recyclate is removed from Collectors through civic amenity sites.*
5. *Any future deposit return scheme will further undermine Collector's kerbside recycling rates.*
6. *Contents of black bags and bags within residual bins cannot be examined by the Collectors, irrespective of Contamination Detection Systems (CDS), and therefore any enforcement of targets on our customers is virtually impossible.*

We stand over the above and remain convinced that Producer responsibility schemes have an important role to play in our sector as a means of reducing the volumes of unrecyclable products placed on the market. We also stand over and welcome an opportunity to reiterate our comments that the imposition of recycling targets on collectors, in the absence of a range of other measures, will work against the polluter pays principle and will result in higher costs on consumers. Put simply, we cannot recycle materials that are not recyclable.

Product Certification

Whilst not specifically a regulatory barrier, it is an area that in our opinion needs to be addressed urgently. Product standards for the building industry in particular are functioning as a barrier to wider use of recycled aggregates in even the most basic of construction applications. There is a need for creation of basic standards, which the construction industry and the EPA can have confidence in. These standards need to document the processing requirements and end-use applications for the production, sale and use of recycled aggregates. It would appear to us that there is a significant lacuna in this area.

What do you see as the major non-regulatory barriers to the further development of the circular economy in Ireland? In answering this question please feel free to address economy-wide issues or those affecting your sector in particular.

Primarily answered as above. However, one additional comment would be the potential for the establishment of a mechanism allowing the provision of a "second-chance saloon" container in all civic amenity sites that provide a space for goods that are surplus to the needs of the owner, but are likely to of value to others. Currently materials placed in a civic amenity site are considered waste. However a portion of materials placed in skips and civic amenity sites is of re-use value.

This second chance saloon could be under the control of the operators of the civic amenity site in conjunction with local charity shops. Items which could be easily resold or upcycled would not become waste. Rather, these materials would become the property of charity

shops, for repair by community enterprises, or direct sale to the public. This would provide a circular economy solution for bulky goods and sports goods etc.

How important do you consider Green Public Procurement is in supporting the development of new circular goods and services?

Taken in isolation it is not important, but as part of a suite of measures to stimulate the circular economy it is very important. In particular we would like to see a situation where government contracts could, where appropriate, stipulate minimum recycle contents for certain materials, such as construction products etc.

What would be the most effective action Government could take to promote/support and incentivise the further development of the circular economy?

In common with our colleagues in the IWMA, we feel that the Government could introduce mandatory recycled content for certain materials used for construction and/or in the manufacturing sector. This could be accompanied by standards set for secondary raw materials.

It is also our view that we cannot simply export our way to a circular economy and while economies of scale will justify export of some materials, Ireland should have a bank of circular economy infrastructure sufficient to provide local circular economy solutions for the majority of our economic needs.

Which sectors do you think can make the biggest contribution to making Ireland's economy more circular?

By virtue of the sheer scale of its resource use and waste generation, we suggest that the construction sector has the potential for making the largest contribution. As demonstrated internationally, this sector can use recycled materials such as aggregates, soil, gypsum, woodchip, glass, etc.

In our view is it untenable for very large indigenous industries that consume such large amounts of primary raw materials, not to be mandated to incorporate a minimum recycled content in their products. Given the tonnages involved, even a small % or recycle in their input would have a huge impact on waste arisings from this industry.

We can set rules for construction in Ireland that will not impact on international competitiveness and have national standards to support those rules.

Manufacturing and associated packaging can also make a major contribution through product design and labelling that encourage reuse and recycling.

Do you broadly agree with the policy areas listed for future development in the draft Strategy? If not, which areas would you remove/add to the list?

Subject to the above comments, we broadly agree and support the policy areas listed for future development.