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From: [REDACTED]
Sent: Friday 7 May 2021 14:03
To: wastecomments
Subject: Retail Ireland response to draft regulations
Attachments: DRS Retail ireland response for Regulation consultation - May 2021.pdf

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Please find attached copy of our response in relation to the above consultation

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EU Transparency register 479468313744-50



Response to Department of the Environment, Climate and Communications, Deposit Return Scheme Consultation on legislative framework and scope of the scheme.

Introduction.

Retail Ireland and its members are committed to the principles of the Circular Economy. A clean environment, and resilient and resource efficient economy are vital for continued sustainable development of Irish society. The circular economy transition can be a key element in ensuring this and the sector will play its part in the delivery of the targets set out in the Plan.

Apart from set-up and operating costs, DRS would require the installation of Reverse Vending Machines (RVMs) at retail and other key locations across the state and/or the establishment of alternative collection mechanisms and EPOS systems to enable consumers to return containers and recoup their deposits.

These requirements would place additional costs and operational burdens on retailers and there must be fair, equitable and proportionate reimbursement to retailers for this, it must be at the discretion of the individual retailer where they place RVMs whether physically inside or outside their stores. Including the operational value of the space, the costs of retrofitting, construction, cleaning, and extensions. Included in the rebate for retailers should be any costs related to public awareness campaigns including print and other material. The waiver of planning permissions should also be linked to accommodating RVMs on retail premises.

There needs to be absolute clarity as to proposed operation of any DRS and, in particular, how retailers as a key stakeholder is represented in the governance structures of an operating entity.

There needs to be focused consideration on how retailers who are producers in their own right as private label owners will be represented on the Board, this needs to be fair and equitable. There also needs to be flexibility built into the scheme to tailor to the Irish retail sector and varying types of stores and sizes along with the general challenges that all retailers may have with RVMs. This flexibility needs to extend to the location of RVMs, as well as the backhaul process to support efficiencies and emissions minimisation. There needs to be explicit mention in the context of online grocery retail deliveries that mandatory take-back at the point of delivery to the customer is not required.

Glass needs to be explicitly excluded from the scheme and there is no scope for a mention of glass in the regulations, it should be a decision of the Board of the operating entity to decide what will be in scope further down the line.

Response to draft regulations:

Part I – Scope: There needs to be clear parameters on what will be included in the scheme, size, type of container etc.

Part II – There needs to be clarity on if there will be a phasing up to 90% collection and by when. The producer fee mechanism should be at least confirmed so that the principle of who is paying for the scheme is clear. The detail of how much that is can be added later but the principle should be covered.

Part III – There must only be one approved body that operates the scheme. With an existing entity preferred. It needs to be explicitly stated that there will be fair and equitable representation for all retailers regardless of size including larger multiples on the board of the operating entity (we note reference to small and medium sized enterprises in the Regulations). There needs to be clarity from the outset on who owns the collected materials, and unredeemed deposits, the cut-off times and how and where unclaimed deposits would be distributed, and flexibility on how retailers operate the returns. It would be our view that the scheme retains ownership. Need to acknowledge that this will be a competitive process with a fair tender process to the most appropriate entity to run the scheme. If stating that consideration be given to this being awarded to an existing entity, the reasons should be quantified – speed of scale-up, economies of scale, offset of impact on viability of existing scheme through diversion of key material streams, etc.

Part IV – There should be minimum threshold on quantity of product put on the market so, all producers and retailers regardless of size are required to register with the scheme, will the primary importer be responsible to register with the scheme. Facilitation of self-compliance, within the regulations, is also to be avoided.

Part V – We need to define what fair and equitable is to retailers the scheme needs to ‘compensate’ retailers for all costs associated with the provision of the take-back, and the zero net cost needs to be explicit including the nature of these costs to retailer such as operational cost, operational value, cleaning and maintenance of RVMs, health and safety, and consumer awareness and signage. The issue of the Border and cross border fraud needs to be under the purview of the scheme operator. The need for retailers to keep records is questionable.

Part VI - There needs to be guidance set out on the deposit per size or a similar scheme as included in the WEEE regulations. Multipacks are widespread in this jurisdiction and pragmatic approach needs to be found as how they will be levied; individual barcoding is not feasible. Deposits must be VAT free and unredeemed deposits remain the property of the scheme to reduce operating costs. Propose that the word “plastic” should be put before “bottles” in every reference, and that the word “aluminium” placed before every reference to cans, and this wording should also ideally be reflected in the regulations.

Part VII – There needs to be greater clarity on references to enforcement and fraud prevention. The operating entity needs to have competency for enforcement and fraud prevention. There needs to be mention of a ramping up grace period or phased implementation to allow retailers the time to make changes to stores, labelling and logistics.

- The exclusion of online should be more explicit if that is the intent. There could and perhaps should be a subsidy mechanism to help fund the scheme from online only retailers without them having to offer a take back service like physical retail. Similar in principle to the producer fee. In this

we are not including online grocery retailers, which would be providing physical infrastructure at store locations.

- The regulations should provide the intent of the scheme - particularly for the financial mechanisms such as the handling fees, deposit transactions, producer fee, initial costs of the scheme.
- If the Department wants this scheme to operate through RVM for plastic bottles and aluminium cans, they need to introduce a mechanism to make them exempt from planning, subject to reasonable standards.

The retail sector will continue to be a critical stakeholder in the success of any DRS in Ireland. We will continue to work with the Department and with other stakeholders to ensure an equitable and effective scheme is established for retailers and consumers.

Contact: 