Ibec discussion paper:

Collection and Recycling System for Waste Packaging in Ireland

Industry in Ireland is committed to increasing the collecting and recycling of packaging. Recycling of drinks containers in particular is already one of the highest in Europe.

Recycling and reuse rates in Ireland & EU wide targets

	EU target for 2011	*EU target for 2025**	*EU target for 2030**	*IE Actual*
All packaging waste prepared for reuse & recycling	**55%**	**65%**	**75%**	***70%***
Plastic bottles prepared for reuse & recycling	**22.50%**	**55%**	**TBD****	***64%***
Aluminium can packaging waste prepared for reuse & recycling	**50%**	**75%**	**85%**	***55%***
Glass packaging waste prepared for reuse & recycling	**60%**	**75%**	**85%**	***86%***

**European Commission Proposal*

***European Commission is due to publish a Plastics Strategy in Q4 2019*

We have a packaging collection and recycling scheme in Ireland; it is called Repak. Industry is committed to contribute financially, through Repak, to increase the collection and recycling of valuable packaging materials to deliver real benefits for our environment, our customers and our industry.

Through the multi million euro financial supports given by industry to Repak, Ireland recycles 70% of all our packaging waste, exceeding EU targets by 15 percentage points.

Irish beverage industry uses a number of materials, including paper, plastic, metal, glass and carton packaging, to deliver products to consumers. Through Extended Producer Responsibility (EPR) schemes, like Repak, companies are taking responsibility for collecting used packaging, in order to be sorted and treated for recovery and recycling. EPR schemes are in place in a majority of European countries.

Extended Producer Responsibility (EPR) is “an environmental policy approach in which a producer’s responsibility for a product is extended to the post-consumer stage of a product’s life cycle” (OECD, 2000).

EPR schemes encouraging producers to improve the recyclability of products and materials, and to convert collected used products into a resource, thereby generating higher quality waste streams. To impose a mandatory deposit return scheme on top of our existing EPR Scheme would be complex and costly to implement. It could lead to increased costs by generating parallel systems and may also require costly measures to protect against fraud.

International Independent Reports & Reviews

Previous reviews have recommended focusing on our current recycling scheme to improve recycling rates.

Two independent reports examined and reviewed Ireland's recycling systems and policies. They also looked at the feasibility of deposit and return in Ireland.

The "International Review of Waste Management Policy" carried out in November 2009, was a major review of waste management policy in Ireland. This report was commissioned by the then Environment Minister, John Gormely TD, and the author of the report was Dr. Dominic Hogg of Eunomia. The following is an extract from Recommendation 10 of the Review:

> *"We considered the case for a deposit refund scheme. The evidence is not sufficiently strong to support a recommendation of this nature, principally because the information regarding implementation costs is not such that the costs can be said to unequivocally justify the benefits."*

The 700 page "Review of the Producer Responsibility Initiative Model in Ireland" (prepared by consultants RPS and published by DECLG in July 2014) considered the introduction of a bring back scheme for waste examining packaging reduction initiatives, such as deposit and refund and reverse vending. A key finding of this review was:

> "To add a wide-ranging packaging deposit and return scheme to the current system is inappropriate in view of the operation of the existing EPR packaging scheme."

Fraud

A deposit return scheme would potentially pay out more than it takes in, because packaging from Northern Ireland will enter the system unless there is country-specific labelling on every container.

With 231 entry points between Northern Ireland and the Republic of Ireland, and the free movement of people, it seems highly likely that substantial returns would be given to consumers who have not paid a deposit. Deposit return fraud could undermine the economic viability of any deposit return Scheme in the Republic of Ireland, while also reducing substantially the funding supporting collection, sorting and treatment for recycling and recovery.

Tackling litter

We all have a responsibility to dispose of our litter responsibly. An effective solution to littering lies in increased law enforcement as well as public information and awareness programmes.

Deposit return schemes are not the appropriate tool to tackle most litter; littering is a complex phenomenon requiring a holistic approach and due consideration of all sources. Targeted anti-litter programmes have previously proven to be a relatively effective way of pursuing overall litter reduction. Since it is about behaviour, all stakeholders must be involved. We must look at the totality of littering rather than just beverage containers, which account for less than 5% of recorded street litter items.

It is worth noting that local authority litter bins do not provide segregated collection. The vast majority of litter deposited in local authority litter bins in the public streetscape go straight to landfill or incineration. Regardless of the fight against litter, this is a missed opportunity to improve recycling rates.

The impact of deposit return schemes on littering can be hard to quantify and the evidence we have seen appears inconclusive. We have certainly found nothing to suggest that the cost of clearing away litter is decreased through a deposit return scheme. Nor have we found any evidence that deposit return schemes for beverage packaging have a beneficial impact on street litter in the countries where they have been implemented

Deposit return schemes do, however, impose an extra personal burden on the end-user in the form of time and travel costs to return the used packaging.

Packaging serves a purpose

Packaging is functional and necessary to bring goods to the public.

Packaging helps to reduce food waste and protects the quality of the product all along the value chain. Packaging assures costumers the product has not been tampered by using tamper proof seals and also allows the consumer to see clearly the nutritional information on the front of packaging label.

Challenges raised by Deposit Return Schemes

Deposit return Schemes can reduce the logistical efficiency of packaging collection and recycling, especially when effective EPR schemes are already in place.

Mandatory deposits can create drawbacks and limit the efficiency of overall packaging collection and recycling. In countries where efficient EPR schemes are in place, a deposit return scheme:

- Could be a disruptive element and create duplicate systems for collection of packaging
- May prevent the cross-subsidy and hence recycling of less recyclable materials
- Will almost certainly reduce the efficiency of the EPR system when it comes to the management of packaging waste

Iintroducing a mandatory scheme in Ireland would therefore undermine the efficiency of Repak, leading to unintended adverse effects on the recovery and recycling of packaging materials that are not covered by a Deposit.

Recycling systems with a lower carbon footprint

A deposit return scheme could significantly increase our carbon footprint due to duplication.

Deposit return schemes may increase recycling of some energy-intensive packaging materials, but this will not necessarily lead to a reduced overall carbon footprint. Indeed, the net effect of a deposit return scheme running alongside an EPR could well be an increase in GHG emissions due to increased vehicle journeys by producers, retailers and consumers. Other unintended indirect impacts could include greater traffic congestion and an associated deterioration in urban air quality.

Economic impact

An Irish deposit return scheme could be prohibitively costly.

The cost of a deposit return scheme in Ireland has recently been estimated by its proponents at around €276m. We have yet to see a proper analysis for Ireland, but we understand that Deposit return schemes entail large capital outlay and high annual running costs. We would expect a substantial percentage increase in costs for businesses. Such costs could not be absorbed. Either they would be fully passed on to consumers or jobs would be put at risk.

The large scale rollout of reverse vending equipment could also have unwanted distributional effects, effectively penalising smaller retailers and outlets lacking the space or resources to put in place and maintain the systems.

Unintended consequences for consumers

Another possible unintended consequence of a deposit return scheme would be the ending of the free kerbside recycling bin for householders or imposition of new charges for its collection.

Removing easily recycled (and valuable) packaging materials like aluminium and plastic bottles (PET) from our green bins, would dramatically increase processing costs. If the more valuable materials such as aluminium cans and plastic bottles are removed from our recycling bins and brought into a separate deposit and return system, the costs to the waste collectors will inevitably increase.

This will have an impact on the costs of treating material from the recycling bin. Packaging producers in a separate deposit return scheme will no longer pay into the central Extended Producer Responsibility scheme at the existing levels. This would reduce the money available to support collecting the recycling bin.

It would thereby bring into question the viability of a free collection, sorting and treated for recovery and recycling of the kerbside recycling bin.

Improving the sustainability of single-use food containers and tableware

The European Commission, in a recent Inception Impact Assessment initiative[1], notes that the French government's attempts to ban some disposable plastic items had Internal Market ramifications. Ibec understands that Article 114 of the TFEU will remain the legal basis for the recast Packaging and Packaging Waste Directive. Outright bans on compliant packaging are therefore unlikely to be a sound basis for developing national policy on packaging recyclability or composability. The Commission's consultation paper does however suggest that alternative approaches may be worth exploring, such as:

- EU-wide measures to promoting re-usable cups
- EU-wide measures to encourage substitution, where feasible, with biodegradable materials such as PLA and/or PHA
- EU-wide measures requiring Member States to implement a charge at the point of sale.

The Commission intends to undertake further analysis, considering the effectiveness of these and other options, and their cost/feasibility. It would seem prudent for Irish policymakers to be guided by the outcome of this analysis and any resulting actions before legislating for mandatory measures at national level.

Implications for policy

EPR schemes that work efficiently, like Repak, help to keep recycling rates high and costs low.

Irish industry should continue to work to promote the most efficient systems to deliver real benefits for our environment, as well as for customers and producers. First, we must encourage policymakers to build up an adequate evidence base. The benefits and costs of any alternative or complementary schemes need to be evaluated with a full Life Cycle Assessment of products before being adopted.

We should meanwhile focus on supporting the existing systems that facilitate the collection and recycling of **all** packaging.

The solution to littering lies in increased public information and awareness programmes which target the anti-social behaviour involved in littering, combined with increased enforcement of the Litter Act. We as a society can also discourage litter by influencing the behaviour of fellow citizens.

As recently noted by NESC, Ireland has yet to articulate a national policy on waste or to develop a plastics recycling strategy in line with EU Circular Economy requirements. Ibec and its sector associations will continue to engage constructively with policymakers and other stakeholders to promote resource efficiency and Circular Economy best practice.

[1] Reducing marine litter: action on single use plastics and fishing gear