



Opening statement from Séamus Clancy, CEO, Repak Limited

To

Joint Committee on Communications, Climate Action & Environment

Pre Legislative Scrutiny of Waste Reduction Bill 2017 January 17, 2018

Chairperson, Deputies, Senators and Clerk,

Thank you kindly for the invitation to speak with you today and for including Repak as part of the process of pre-legislative scrutiny on the Waste Reduction Bill 2017. While we strongly disagree with some aspects of the bill, we acknowledge the positive social intentions behind the bill and why it was tabled. This is a timely debate and perhaps it will put a focus on the growing plastics issue that we face as a western society.

Firstly I would like to explain a little bit about Repak and how we work for those committee members that may not be familiar with our remit.

Repak

The Waste Management (Packaging) Regulations became law on the 1st July 1997 and Repak is the approved body under licence from the Minister for Communication, Climate Action and Environment to operate as a compliance scheme for packaging recovery on behalf of its members.

Repak is a not for profit packaging recycling scheme funded by the contributions of its more than 2,300 participating members.

Repak charges fees to its members, including shops, restaurants and hotels, in accordance with the amount and type of packaging they place on the Irish market. These fees are used to subsidise the collection and recovery of waste packaging through registered recovery operators across Ireland – so that the individual member companies are exempt from this requirement. In 2016, Repak subsidised 794,848 tonnes of waste packaging recovery and recycling.

Since 1997, Irish businesses have invested over €400 million through Repak. This has helped provide a recycling bin outside almost every Irish household with the support of €64 for every tonne of packaging waste collected. Repak members also fund the collection of waste bottles and cans from the 1,848 bottle bank sites and 118 civic amenity sites in the country.

Repak also invests up to €1m per annum in education and communication campaigns to promote packaging recycling and waste prevention to consumers, producers and schools.

All this has helped to grow Ireland's packaging recycling and recovery from under 15% in 1997 to 91% in 2016. Repak has played a pivotal role in diverting over 10 million tonnes of packaging recycling from landfill in this period helping 122 landfills to cease operations nationwide.

Ireland today is one of the best countries in Europe for waste packaging recovery and recycling surpassing all EU targets:

2015 Packaging Recovery and Recycling Performance		
Material	European Union Targets	Ireland Results
Glass	60%	88%
Plastic	22.5%	34%
Paper and Cardboard	60%	80%
Metals	50%	75%
Wood	15%	85%
Overall Recycling Target	55%	68%
Overall Recovery Target	60%	91%

I will now move on to the contents of the bill.

Coffee Cups

On the principal of phasing out non-compostable coffee cups, we in Repak would recommend that a technical assessment is carried out to determine exactly the technical definition of non-compostable/compostable cups and what entity of the state would be responsible for enforcement of any new regulation. A market analysis should also be carried out to ensure there is a sufficient supply of alternative compostable coffee cups are available. Furthermore, through media reports, we are aware of Ministerial proposals around levying a discounted fee for using your own coffee cup. There are merits in these proposals and we believe that the committee's efforts should align with the Minister's in time, so that a single system is in place.

Deposit Return Scheme

Now, I would like to address the issue of the potential introduction of a deposit return scheme, which is the aspect of the bill that is of most concern to Repak and its members. The success factors, which have allowed other EU countries to adopt similar schemes, are not in place in Ireland thus posing a major risks to its potential success. In fact, we believe it would be a major waste of limited resources and would place valuable time and effort into the wrong area, achieving minimal results.

I will outline our concerns in greater detail later but our main concerns can be summarised by the following:

- We have a major plastics recycling challenge in Europe and Ireland, but we definitely do not have a major beverage container problem. It is important that those two facts are not confused.
- We do not believe it will do anything to alleviate littering. There is evidence from other countries that have a deposit scheme that litter remains a problem
- We do not believe it will have any noticeable impact on recycling rates. Plastic beverage accounts for 4% of all packaging.
- We believe it will increase the price of goods for consumers.
- We feel it will be massively disruptive to the retail sector and would effectively endow a significant competitive advantage on the larger shopkeepers. This would especially apply to smaller rural shopkeepers.
- We believe it may jeopardise the recycling bin collection and increase the costs of household waste collection.
- Managing a deposit return scheme is administratively very difficult. It would not likely pass a cost-benefit analysis and will disrupt as opposed to support, the work Repak has engaged in over the last twenty years.
- Deposit return scheme will not solve our China issue and it would serve as a major distraction to the overall plastics issues.
- Deposit return scheme is limited to beverage containers of which 70% Plastic & 88% Glass are already recycled.
- Putting a deposit and return scheme in place on top of the existing recycling scheme such as Repak would lead to unnecessary duplication of collection infrastructure, duplication of transport, increase traffic pollution, wasteful use of energy and have a negative carbon impact.

I will now take you through those points individually.

Plastics

We recognise that in both Ireland and Europe we have a major plastics problem, especially in the context of China closing its doors to European plastics. However, beverage containers do not form a significant part of our problematic plastics. We produce 276,000 tonnes of plastic each year of which beverage containers represent 42,000 tonnes of plastics. Currently 70% of these are already recycled. Therefore, a deposit return would be an investment of well in excess of €120m with an annual servicing cost of circa €50m to solve just 4.5% (12,500 tonnes) of our overall plastics problem.

Europe have limited recycling infrastructure capacity for plastic recycling and lightweight plastics in particular. In Ireland there is less than 10% recycling capacity for plastic packaging placed on the market. A Plastic Recycling & Recover Strategy for Ireland is required with all stakeholders included. We would recommend to the Committee that a working group of stakeholders be formed to propose a Plastic Strategy for Ireland that delivers the requirements of the Circular Economy Package. We believe that the DCCAE should lead the working group and that include, producers, consumers, the waste industry, NGO's and Repak.

Littering

We should not in any way view a deposit return scheme as a method of tackling our litter problems. Beverage containers account for less than 3% of our littering. There are more effective and cheaper ways of tackling our littering. Litter remains a problem in all countries that have a deposit return scheme in place.

Expensive for consumers

Every deposit return scheme relies on unclaimed deposits. The reality will be consumers paying above market-norm prices for beverages. The additional warehousing, infrastructure and labelling costs would all likely be passed on by industry to the consumer. While we are supportive of the principal of the polluter pays, we have to ask ourselves if we place this burden on consumers, will the results justify the cost and what are the measurable outcomes?

Recycling Rates

Dr. Pat McCloughan will outline in his report how a country with an existing extended producer responsibility can have an overall impact on recycling rates. Today there is only a 0.5% difference on average between countries that have deposit return and those that do not. As it happens, under the Repak scheme, we are performing above EU targets in nearly all material types.

Retail disruption

Reverse vending machines cost approximately €30,000. Some shops may be able to accommodate them, some may not. For those shops that can't afford it, they would have a significant competitive advantage over those that do not.

Furthermore, co-ordinating a transport system to collect materials from retail outlets would be logistically expensive and add significantly the country's carbon footprint.

Household waste collection

The Repak funded green-bin collection has been successful in driving recycling rates and behavioural change since 1997. It is a system people are familiar with. A Deposit Return Scheme would jeopardise the funding of the free green bin collection. Not only that, when you remove valuable plastics from household bins, it means the collectors will derive less value. That, in and of itself, would put upward pressure on the costs of household bin collection as the revenue line to the collector would be reduced. Their only option to make up for this funding would be to increase household bin collection.

Recommendation

Our recommendation to the committee would be that the deposit return scheme be subject to a rigorous cost-benefit analysis and be measured against other policy interventions.

We would also recommend that the committee debate the Circular Economy Package and in particular the Circular Economy Plastic Strategy. This will form the cornerstone of future waste policy and should be the bases of a Plastic Strategy for Ireland, which is urgently required.

Conclusion

In conclusion, we thank the committee members for the opportunity. We welcome the debate. We feel the success factors for a deposit return scheme are not in place in Ireland right now and we may be misdiagnosing our litter and plastics problem as being only associated with beverages. However, we would look forward to working with all committee members in tackling our new recycling challenges and targets that will be announced by the European Commission.