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Summary of the Waste Reduction Bill and How it Would Work

The Waste Reduction Bill has three main provisions:

1. Ban single use plastic items

(such as plastic cutlery, straws, stirrers and other tableware)

Single-Use Plastics have been identified as one of the leading causes of plastic pollution in our marine and terrestrial environment. Many of these items have sustainable alternatives and there has been an international outcry to ban certain plastic products. The list outlined in the Waste Reduction bill mirrors the list currently proposed in the EU Single Use Plastic legislation.

2. Impose a two-tier latte levy

€0.15 for non-compostable coffee cups

€0.05 for compostable coffee cups

Ireland uses and disposes of 200 million take away coffee cups annually. There is a move to use compostable coffee cups, but this is not the answer to the waste issues as there is no street composting infrastructure to collect these on-the-go cups. Further, there may be the mistaken impression that these cups are compostable like apple cores and can be left along the side of the road, on beaches or in nature to rot. These cups are only compostable in industrial composting facilities and must be collected in a separate stream. As take-away cups are, by definition, taken away and disposed of away from the café, an in-house collection system will only collect a small percentage of the compostable cups. We propose to impose this two-tier system not only to encourage behavioural change, but also to finance the development of the street compost bin infrastructure and public awareness.

Additionally, as prevention is at the top of the waste hierarchy, we want to encourage the use of reusable cups above the use of compostable cups.

We estimate that in the first year, this levy will raise around €20 million per annum (100 million non-compostable cups and 100 million compostable cups). We anticipate that this amount will reduce over time as consumers start using their own cups and cafes start switching to compostable cups. Money generated through the latte levy will be used for the development of street compost bin infrastructure and a comprehensive public awareness campaign.

3. Establish a Deposit Refund Scheme (DRS) for closed drinks containers

The deposit scheme would cover items such as plastic bottles and aluminium cans but exempt plastic milk bottles and glass bottles as the current rate of recycling for both of these items is fairly high as they are consumed at home or on a commercial premises.

How would a Deposit Scheme be funded?

The scheme would be funded on the basis of the polluter pays principle.

Currently, producers of plastic and aluminium containers pay Repak per tonne of material placed on the market. The fees charged to producers of plastic packaging in Ireland are at the bottom of EU countries with similar voluntary compliance schemes for packaging waste. See table below:

Country	Plastic per tonne (€)	Aluminium per tonne (€)
Germany	1,296	n/a
Austria	670	450
Poland	600	300
Estonia	410	260
Spain	377-482	102
Ireland PROPOSED	385	267
Luxemburg	343	148
Netherlands	355	573
Lithuania	311	113
France	238	61
Portugal	228	164
Czechoslovakia	216	82
Belgium	199	138
Serbia	153	282
Italy	140	52
Latvia	133	68
Bulgaria	130	100
Slovenia	112	79
Cyprus	106	21
Ireland NOW	89	83
Greece	66	9
Slovakia	45	27

Source: European Commission¹

Currently, we calculate that brand companies pay €0.002 per container for plastic bottles (two tenths of a cent) and €0.001 per container for aluminium (one-tenth of a cent) under Repak's current pricing structure. Calculations were determined through the following methodology. Plastic bottles are charged €89.16 per tonne and there are around 38,450 bottles/tonne with an average weight of 26 g/bottle. Aluminium cans are charged €83.62 per tonne and there are around 66,666 cans per tonne with an average weight of 15 g/can. Of course weights for the different sizes of bottles are not the same, but we don't have the data to calculate the number of smaller vs. larger containers. This is a rough estimate for calculation purposes.

¹ http://ec.europa.eu/environment/waste/pdf/final_report_10042012.pdf. Page 105-6

We propose changing the charging structure for drinks containers from one paying by tonne to one paying by container to finance the DRS and to be managed by Repak. This revenue would go a long way towards financing the establishment and running of a Deposit Refund Scheme.

Proposed changes to REPAK fee structure to a charge by container:

Drinks container stats 2017	Number of containers	Charge €	Total (€)
Plastic	917,000,000	.01	9,170,000
Aluminium	613,000,000	.004	2,452,000
Total			11,622,000

This would be a five-fold increase in the amount producers pay on plastic and a four-fold increase on the amount for aluminium. This would increase the fee for plastic bottles to €384.50/tonne for plastic and €266.60/tonne for aluminium cans, which would put Ireland in the middle of the range for EU countries.

Additional Revenue to operate the DRS system in the first year:

With a €0.15/container deposit

Deposit imposed on 1,530,000,000 containers	80% returned	20% unclaimed
€299,500,000	€239,600,000	€59,900,000

With a €0.20/container deposit

Deposit imposed on 1,530,000,000 containers	80% returned	20% unclaimed
€306,000,000	€244,800,000	€61,200,000

Revenue from year 3 with 90% Return

With a €0.15/container deposit

Deposit imposed on 1,530,000,000 containers	90% returned	10% unclaimed
€299,500,000	€269,550,000	€29,950,000

With a €0.20/container deposit

Deposit imposed on 1,530,000,000 containers	90% returned	10% unclaimed
€306,000,000	€275,400,000	€30,600,000

How much would a Deposit Refund Scheme cost?

Costings for the establishment and running of a DRS varies according to the source. Costings data are included in both the Oireachtas Joint Committee Report on the detailed scrutiny of the Waste Bill² and in the Library and Research Service's Note.³ In a detailed study for Zero Waste Scotland⁴, a government agency, Eunomia found that the annual cost of running the DRS at €70M approximately. In their modelling, that cost is funded from a mix unclaimed deposits, sale of collected materials and producers' fees.

In the Irish case, we estimate that the sale of collected materials and unclaimed deposits will cover 2/3 of the costs and producer fees will be set to make up the shortfall, which will be approximately 1/3 of the costs.

Moreover, these costs do not reflect the savings that will be achieved through lower litter clean-up, street bin management and disposal costs. Additionally, it does not consider the additional environmental benefits and externalities that are currently not accounted for.

The Bill should not contain any fixed figure for the deposit which will be better set by Regulation. However, we estimate that a 20c figure for cans and plastic bottles would be appropriate.

With the increased per container fee charged on the producers and the unclaimed deposits in the first year, this would generate enough revenue to establish a DRS. We anticipate that it will take a few years for the public to understand the new system and reclaim their deposits.

How will REPAK operate under the new system?

Repak argues that if aluminium and PET drinks containers were removed from the dry recycling bin, they would lose a valuable component that offsets the price of recycling collection. However, the green bins will still contain PET food packaging, HDPE and LDPE bottles, steel cans and paper/cardboard. Additionally, we propose a fee increase on other plastic packaging at €400/tonne to offset the cost of litter clean up and the investment in waste infrastructure. This increased fee will also act as an incentive for producers to reduce the amount of plastic packaging. The average per capita consumption of plastic packaging in the EU is 30kg; in Ireland it is 61kg.

While a portion of REPAK's current income from packaging fees would be diverted to fund the DRS, they will continue to receive membership fees from other packaging. Indeed, we are proposing that the fees for all plastic packaging should increase correspondingly which will secure the sustainability of REPAK's business model.

We envision that REPAK would run the DRS and if the payment schedule for packaging placed on the marketplace switches from a tonnage basis to a per container basis and the fees are increased, this, in turn, will increase the amount of fees collected by REPAK to run the DRS. See charts above for calculations.

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https://data.oireachtas.ie/ie/oireachtas/committee/dail/32/joint_committee_on_communications_climate_action_and_environment/reports/2018/2018-05-28_report-on-the-detailed-scrutiny-of-the-waste-reduction-bill-2017-pmb_en.pdf

³ http://vhlms-a01/AWDData/Library2/30042018_Cost_Estimate_Note_Waste_Reduction_final_131244.pdf

⁴ <http://www.eunomia.co.uk/reports-tools/a-scottish-deposit-refund-system/>

Who pays for the cost of litter?

REPAK does not subsidise the cost of litter clean-ups or street bin collections, much of which contains packaging waste. Nationally, there are around 100,000 tonnes of litter and street bin waste every year, the disposal of which is paid for by local authorities and hence taxpayers. For example, according to the Dublin Litter Management Plan 2016-2018, there are 17,147 tonnes of litter and street bin waste in Dublin and the Dublin City Council's litter budget is €25 million. While part of this amount is used to clean gum and graffiti and for local initiatives a large amount, say €20 million, is for litter/bins. This equates to €1,166 per tonne, as compared to producers/brands who place the packaging on the market who pay fees of €89/tonne under the current REPAK scheme. Granted, we cannot calculate out how much of this litter and street bin waste is made up of packaging waste, but as much of our 'on the go' waste is packaging (drinks containers, including coffee cups, food packaging, crisp, chocolate and snack packs), we know that quite a lot of this waste is packaging waste. **Therefore, if we assume, conservatively, that half of such waste comes from packaging, we can estimate the costs that taxpayers pay to collect and dispose packaging waste found in litter and street bins to €583 per tonne of packaging waste, which is still six and a half times the current packaging rate for brands and producers of packaging waste.** Interestingly, the new EU Single-Use Plastic legislation would expand Extended Producer Responsibility (EPR) to cover the management of all litter. Our proposal to increase the fees that producers pay from €89/tonne to €384.50/tonne, as well as funding the DRS, would position Ireland ahead of the curve on the implementation of the EU proposals.

We urge the Government to reassess the effectiveness of REPAK's current structure to deal with drinks containers and the corresponding rates that producers/brands pay for placing packaging on the marketplace. Under the polluter pays principle, they should be paying more than two tenths of a cent for each container.

In Austria, they pay €0.015 per plastic bottle (€670/tonne), in Germany they pay €0.0325 per plastic bottle (€1,296/tonne), in the Netherlands, they pay €0.009 per plastic bottle (€355.40/tonne) and in Spain, they pay €0.01 per plastic bottle (€377-472/tonne).⁵

This bill has huge public support with over 60 Tidy Towns supporting and 20,000 petition signatories on an on-line DRS petition. Recycling industries such as Shabra, Wellman International and Quinn Packaging, which fabricate new products from recycle, support the establishment of a DRS as it will guarantee cleaner and higher quality material.

⁵ European Commission (DG ENV – Unit C2; Use of Economic Instruments and Waste Management Performances – Final report, April 2012, p. 105-6)