

Deposit return system/compostable packaging

Y Pwyllgor Deisebau | 9 Mai 2017
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Research Briefing:

Petition number: P-05-750

Petition title: For Single Use Items: Introduce a Deposit Return System for Drink Containers and Make Fast Food Containers and Utensils Compostable

Text of petition:

The Marine Conservation Society calls on the National Assembly for Wales to urge the Welsh Government to act upon the globally responsible Wales goal within the Well Being of Future Generations Act (Wales) 2015 and build on the excellent results achieved by the carrier bag charge, by implementing two further actions that would help Wales to achieve a zero waste, circular economy. Namely:

1. Introduce a deposit return system in Wales for all single use beverage containers such as glass and plastic bottles and aluminium cans.
2. Legislate for a charge on all drinks and fast food containers and utensils that are not fully compostable, unless they are reusable, refillable, part of a return scheme or collected in store for recycling.

Deposit return systems are already in operation in over 40 countries around the world and have been proven to reduce litter, increase recycling by creating a more certain supply of affordable, high-quality materials, reduce costs for Local Authorities and create jobs.

Fast food wrappers and takeaway cups are a common litter item on our streets and making them refillable/reusable, easily recyclable or compostable would reduce litter.

Manufacturing new drinks containers and fast food containers and cups use up huge amounts of energy, which contribute to greenhouse gas emissions. The more we recycle, and the less we litter, the better for our environment and our economy.

Background

Waste policy (including recycling) is a devolved issue. As such, UK Government policy applies to England only and it is for the devolved administrations to develop and implement their own policies and approach, within the framework of the EU requirements. The Welsh Government's [Towards Zero Waste strategy](#) (2010) sets out its policy in this area.

Deposit return scheme/deposit refund system (DRS)

A deposit-refund system is the surcharge on the price of potentially polluting products. When pollution is avoided by returning the products or their residuals, a refund of the surcharge is granted. (OECD, Glossary of Statistical Terms)

The purpose of a DRS is to encourage the return of materials into an organised reuse, recycling or treatment/disposal process. The basic principle of deposit systems on beverage packaging is that retailers, on purchasing beverage products, pay an additional fee on the packaging in the form of a deposit. The fee is generally determined by the packaging material and the container size and is indicated via a label on the packaging. On purchasing the beverage product in store, the consumer will pay the additional fee to the retailer and the fee is then reimbursed when the consumer returns the empty packaging. Drinks containers are the most common target of DRSs but there have been suggestions that it could be applied more widely, for example to batteries and tyres.

There has recently been renewed interest in the use of deposit systems and the use of reverse vending as a collection method for beverage containers. There are currently no deposit return schemes in operation in the UK. Research carried out for the Campaign to Protect Rural England (CPRE) suggested that the deposit scheme will save money for the consumer in the long term, and that a deposit of 15p for containers smaller than 500ml and 30p for those larger would generate return rates of around 90%.

The 2010 [report](#) produced by Eunomia for the CPRE outlined a number of possible benefits of DRS:

- Increasing the recycling of containers covered by deposits (for refill or recycling);
- Reducing the extent of littering (as people will be less likely to discard things that are worth money);
- Increasing the use of/reducing the extent of decline in the use of refillables; and
- Avoiding harmful chemicals being mobilised in the environment (although not in beverage schemes e.g. batteries or pesticides).

The report concluded:

The combined overall cost benefit analysis indicated that, even with the additional costs incurred in the running of the DRS, there is a high likelihood of a significant net benefit to society. The influence of the reduction in dis-amenity associated with litter appears to be particularly strong.

Defra commissioned a [report on deposit schemes](#) (PDF 1.44MB) in 2008, its findings suggesting that a deposit system would be problematic. The report also concluded that a deposit system would increase the total tonnages of materials collected, although a significant amount of the deposited packaging would be cannibalised from existing collection schemes. The report also suggested that the introduction of deposits would have a detrimental effect on existing collection mechanisms in general, and council kerbside collections in particular.

Critics of DRS also express serious concerns about the level of infrastructure that they say will be required if such schemes are to go ahead. The Defra report outlines some of the pre-conditions for a DRS; producers and importers need to have registered and labelled their products, retailers will need a collection system in place, hauliers and reprocessors must be set to receive the returned packaging through the new channels, and consumers must be informed about the new systems. DRS could be seen to impose an additional cost to householders who are not easily able to participate e.g. by returning containers to collect deposits.

The [Climate Change \(Scotland\) Act 2009](#) contains powers to introduce deposit and return schemes. In May 2014, Zero Waste Scotland published a [report on A Scottish Refund Deposit System](#). The report assessed the key design features and feasibility of a DRS in Scotland. More recently, Coca-Cola has [backed a campaign for a DRS](#) for cans and bottles in Scotland.

Compostable food packaging

Expanded polystyrene (EPS) is one of the most problematic non-recyclable materials. It is used in food packaging markets for containing meals and hot drinks. It is exceptionally lightweight and a good insulator, so is effective for keeping food warm. Though some industries have made efforts to promote recycling of polystyrene, within the fast food sector no industry-wide approach has been attempted. Some of the largest fast food chains have taken action to replace EPS with biodegradable alternatives, but smaller independent fast food businesses still regularly use EPS packaging due to its lower per-unit cost.

In Wales, evidence suggests EPS litter is a considerable problem, particularly at the coast. In a [2008 report](#), Keep Wales Tidy (KWT) identified fast food waste on an average of 17.2% of Wales' streets. This includes EPS as well as paper, cardboard and food waste itself. In coastal areas polystyrene waste is the 3rd most common form of rubbish found on beaches in the UK according to the [Marine Conservation Society's 2013 Beachwatch Survey](#). Keep Wales Tidy's 2011 [Marine Litter Policy Paper](#) estimated the cost of cleaning up litter on the shore at £18m,

representing a 37.4% increase over the previous 10 years. Whilst this is not exclusively down to polystyrene waste, it is a large component of the problem. Away from the shore it costs taxpayers around £40 million a year to keep the streets of Wales clean, according to Keep Wales Tidy's [Fast Food Litter Policy Paper](#) (2008).

Biodegradable plastics (or biopolymers) have been used for some time. Biopolymers are generally designed to be composted rather than recycled, and as such require a different collection / disposal route to conventional plastics. Biopolymers have a higher cost compared to conventional plastics (normally made from crude oil derivatives) and as such are less prevalent in the marketplace.

Ahead of a Westminster Petitions Committee debate in January 2017, the House of Commons Library produced a [debate pack](#) for Members. This detailed briefing sets out the legislative framework for food packaging and producer responsibility, including relevant EU Directives. Following the debate any ban on unrecyclable packaging was rejected and the UK Government Resources Minister reiterated the government's preference for a voluntary approach. The UK Government's response suggested that it is the responsibility of businesses and customers to decide which packaging materials are supplied and purchased, rather than the government to enforce the use of certain materials.

Welsh Government action

In her letter to the Committee the Cabinet Secretary for Environment and Rural Affairs states that "the issues relating to single use and compostable food and drink packaging are many and complex". She suggests that, in order to achieve a long term solution, the issues need to be looked at in the round, and that she intends to do this as part evaluation and refresh of the Welsh Government's 2010 Towards Zero Waste strategy. The evaluation has already been carried out, and she says that the results will be published in the summer of 2017, with the consultation on the refreshed strategy planned for summer 2018.

The original Towards Zero Waste strategy was accompanied by a number of sector plans, one of which was the [Industrial and Commercial \(I&C\) plan](#). Whilst not specifically mentioning deposit return schemes, the plan aims to ensure products, including food and drink packaging use fewer resources, are more durable and/or have extended life. It also outlines that products should generate less waste at end of life, be recyclable, and have a higher recycled content. The plan also highlights extended producer responsibility (EPR) – that the producer should take greater responsibility for the product's management at end of life, including the costs of end of life management. The Cabinet Secretary suggests that potential products which could be considered for an EPR approach include disposable food and drink related packaging, including plastic cutlery.

National Assembly for Wales action

On 14 March 2017, in response to a [plenary debate on recycling](#), the Cabinet Secretary for Environment and Rural Affairs stated that a DRS would be considered as part of the Towards Zero Waste policy refresh.

On 5 April 2017, Simon Thomas AM led a [Members Legislative Proposal debate on a Waste Reduction Bill for Wales](#). The motion called for a DRS for plastic, cans, bottles and glass) and a ban or levy on polystyrene (non-recyclable) packaging. The debate discussed a number of issues relating to DRSs and non-recyclable packaging, a number of which are summarised below:

- There are **new powers in the Wales Act to introduce innovative taxes**, for example a tax/levy on polystyrene packaging, which could be extended to all non-recyclable plastics;
- DRS fits with the move towards a **circular economy**;
- Suggestion that we should be moving towards a position of all packaging in Wales being recyclable;
- There is little motivation for retailers to use more sustainable packaging when polystyrene is much less expensive;
- The need to encourage **behaviour change** amongst citizens, and improve education about what is recyclable and what is not;
- The need to think carefully about potential unintended consequences of a DRS scheme, such as people making additional car journeys to return bottles etc; and
- Recognition that Wales is currently leading the way in the UK in terms of recycling performance, and the potential impacts that a DRS could have on this. Also how a DRS might impact upon existing local authority waste collection arrangements.

The proposal received cross-party support, and the motion passed with 34 For, 0 Against and 12 Abstentions.

The Petitions Committee considered a [previous petition on banning polystyrene packaging](#) between 2014 and 2016. Following the response from the Cabinet Secretary the Committee agreed that there was little more that the Committee could do to take the issue forward and agreed to close the petition.

In December 2015, William Powell AM led a [plenary debate](#) on 'A Deposit-return Scheme for Drinks Containers: An Idea Whose Time Has Come...Again'. In response to the debate, the then Minister for Natural Resources stated:

It's also tempting to say about DRS working in other countries and that it would work here in Wales, but we have to find and work out a solution that best suits our business needs, our consumers and

our communities, and we will need to work together to understand these interventions, and ensure that no unintended consequences result in changes or a shift in recycling and reuse, as opposed to additionality [...] **I'm not opposed to the scheme in principle.**

Every effort is made to ensure that the information contained in this briefing is correct at the time of publication. Readers should be aware that these briefings are not necessarily updated or otherwise amended to reflect subsequent changes.