



**Chambers
Ireland**
Advancing business together

Chambers Ireland submission to the Department of Environment, Climate and Communications on potential models of a Deposit Return Scheme for Ireland

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Chambers Ireland is the State's largest business representative network. We are an all-island organisation with a unique geographical reach; our members are the chambers of commerce in the cities and towns throughout the country – active in every constituency. Each of our member chambers is central to their local business community and all seek to promote thriving local economies that can support sustainable cities and communities.

Drafted in correspondence with our Chamber Network and associated policy fora, Chambers Ireland is pleased to have the opportunity to make this submission to the Department of Environment, Climate and Communications on potential models of a Deposit Return Scheme (DRS) for Ireland so that businesses, particularly SMEs, will be able to fully benefit from this scheme and achieve their waste reduction targets in line with national targets contained in the Waste Action Plan for a Circular Economy.¹

Introduction

Inefficient consumption and missed opportunities for reuse, recycling and composting lead to high waste generation and increased greenhouse gas emissions. That is why we must ensure the proper management of waste resources so as to secure a better, more sustainable Ireland for future generations. The commitment in the Programme for Government and the Waste Action Plan to introduce a DRS for plastic bottles and aluminium cans is a very welcome action to begin to achieve these aims.

In a DRS, consumers are charged an additional deposit fee when they purchase a drink in a single-use container. This deposit acts as an incentive to support recycling – it is redeemed when the consumer returns the empty container to a return point. Typically, retailers accept and process returns

¹ Chambers Ireland engaged with the consultation period and submitted its [recommendations](#) on the development of a national Waste Action Plan and that would achieve the required waste reductions targets while also protecting businesses and consumers in the transition to a circular economy.

automatically through a 'reverse vending machine', or manually using a collection bag in store. The containers are then collected and recycled, supporting bottle-to-bottle use of materials.

We know that Ireland is falling short of the required levels of recycling² and could face substantial fines if we continue to neglect this. The EU Single Use Plastics Directive sets a collection target of 90% for plastic bottles by 2029 with an interim target of 77% by 2025.³ A study carried out by Eunomia shows that we are currently achieving an estimated 55% separate collection for polyethylene terephthalate bottles (PET) and aluminium beverage cans, leaving us behind the 2025 target and well short of our 2029 target.⁴ The SUP Directive also requires that PET beverage bottles contain at least 25% recycled plastic by 2025 and that all plastic beverage bottles contain 30% by 2030. A well operated DRS is capable of producing high quality food grade recycled which can be used by beverage manufacturers to meet these recycling content targets.

Too few plastic bottles and cans are currently being captured for recycling by our current system and too many are being discarded as litter. A DRS will not only increase recycling rates and support the circular economy (by keeping materials in productive use and securing the resource value of existing materials and reducing demand for new materials), but also will assist in the reduction of littering beverage containers which has become a familiar sight in recent years. By making a DRS accessible and easy to use for all, we can ensure that these aims are quickly realised.

It is critical that we create a scheme that is comprehensive enough to deal with the recycling and waste issues currently experienced. However, businesses must be supported throughout the introduction and implementation of any DRS. Covid-19, and the restrictions imposed, have had devastating impacts on businesses right across the country, particularly SMEs. A proposed DRS must not further harm the competitiveness of SMEs.

Recommendations

- **Communications** – Businesses and consumer alike need to be made aware of, and become engaged with, the DRS long before it becomes operational to ensure its success. The below recommendations highlight how this can be achieved:
 - Clear timelines and guidelines for businesses
Clear timelines on the introduction of a DRS will be critical to its success so that businesses can adequately prepare. Businesses need to be informed of the exact specifications of PET and aluminium containers that will be accepted under the DRS. For example, the Norwegian scheme⁵ accepts all PET and aluminium containers if packaging has been designed in line with the regulator's guidelines, which ensures that all containers entering the scheme are able to be easily recycled. These guidelines are fundamental to ensure the circular nature of the scheme. Specifically, it is critical that labels attached to bottles are easily removed without leaving any residue which could inhibit their ability to be recycled. Additionally, any future

² EPA (2019), *New figures show that further measures will be needed to ensure that packaging recycling levels don't stagnate*.

³ *Directive on the reduction of the impact of certain plastic products on the environment*

⁴ Eunomia (2019), *Improving the Capture Rate of Single Use Beverage Containers in Ireland*

⁵ Leonardo Mautino (2018), *Putting the genie back in the bottle – deposit return schemes on plastics*, Oxera Economics.

additions to that list must be communicated well in advance so that enterprises can prepare for possible changes to their supply chains.

- Communications Campaign

To ensure success of the scheme both industry and consumers need to be engaged with the introductory process and then throughout its implementation. This should also be supported by an education campaign in schools and across social media channels and traditional media.

In a world where environmental awareness is steadily increasing, people may be more willing to participate in environmentally friendly initiatives; however, limited attention spans and the information overload of everyday life mean that many people are also more likely to follow their old habits. Reverse vending machines near a shop can serve as a prompt for consumers to reconsider their habits more broadly. The benefit of a prompt is not so much in educating people, as in giving a reminder at the right time. The simpler the prompt, the more effective it is.

- **Efficiency of scheme operations** – no matter how successful the scheme is in increasing return rates, it will still incur operating costs. Minimising these will be crucial to the efficiency of the scheme. Simply mandating that all retail stores install DRS infrastructure may result in a relatively high burden on smaller chains. Even if the number of machines is proportional to the number of open stores, smaller chains may find it more difficult to finance the machine installation, simply due to their size. This, in turn, could bring unintended competition consequences to the retail food market.⁶ The Covid-19 pandemic has caused many unforeseen challenges for businesses across Ireland, particularly SMEs. The introduction of a DRS must not further harm SMEs.
- **Incentives for adoption** – While there is merit in exploring grants or tax incentives for start-up companies who design their business models around the circular economy, this must not be at a disadvantage to established businesses who have also made the transition, or those looking to do so. The correct allocation of funding for businesses across Ireland to implement effective and efficient recycling and composting infrastructure, and to incentivise innovation, will play a key role in the success of a Deposit Return Scheme and the aims of the Waste Action Plan for a Circular Economy.
- **Simplicity and ease of access** – regardless of whether people are driven by financial or behavioural motives, simplicity and ease of access of the scheme will be important in maximising the level of engagement. Complexity could jeopardise the effectiveness of the scheme, with fewer businesses and/or consumers engaging with it. The DRS must be simple to understand, implement, and engage with in order to have maximum impact.
- **Improve quality and quantity of recycled materials** – In addition to increasing recycling rates above these levels, a well-designed DRS should also improve the quality and increase the quantity of material collected for recycling and reuse as new packaging. This will support the

⁶ At this stage, however, it is unclear which parties are going to share the costs of setting up and running the scheme.

aims of many producers to move to a more circular model for packaging, supporting bottle-to-bottle and can-to-can recycling, and towards the circular economy we all want to see.

- **Ongoing engagement** – Depending on the success of the scheme, we would recommend that the Department engage with business groups and representative groups, such as Chambers, to look at broadening the design of the scheme to include a wider range of materials such as glass bottles, coffee cups, drinks cartons, food containers (such as standardised plastic soup containers), etc.

Additionally, it is equally important that a planned post-implementation review is conducted. This should be carried out twice, initially conducted 6-12 months post-implementation and again after 12-24 months. This will enable both an early and more mature evaluation of the delivery of project benefits, ensuring the DRS is successfully working in practice. Business representation groups, consumers and industry should be engaged throughout these reviews for accurate representation.

Conclusion

We must accelerate our transition to the circular economy on a national scale.

We will be more successful in encouraging businesses to make the switch to alternative waste reduction systems if we ensure we are making sufficient investment in infrastructure, supportive frameworks.

If Ireland is to meet its waste and carbon reduction targets by 2030 and 2050 respectively, it is critical that the introduction of a DRS under the new Waste Action Plan must not harm the competitiveness of businesses who are already taking the lead in this sphere – all future waste policy must be designed to support enterprises who have already made changes to their supply chains as well as those looking to make the transition.

We remind policy-makers and legislators that ahead of the introduction of changes to how we manage waste, there is an opportunity to engage with private sector business representation as a partner. We believe there are practical benefits in this approach as constructive engagement with the business community is instrumental in facilitating representative discussions on future pathways and actions. Through a collective discussion, policy is informed via ground-up engagement. Resilience and capacity building are key, and business needs to be supported with a strong regulatory and policy framework. We emphasise the value of public consultations and welcome future opportunities to engage on this and associated topics.