

Submission from the Resource Association

Introduction

The Resource Association is pleased to be able to make a submission to the Rural Affairs, Climate Change and Environment Committee in respect of the Waste (Scotland) Regulations 2012 (draft).

The Association was launched in November 2011 as a trade association for the reprocessing and recycling industries, supported by the wider supply chain. We held our first event in Scotland in March 2012 at the Scottish Parliament, a seminar on Challenges for Recycling and Reprocessing in Scotland which was attended by stakeholders from the resources and waste sector and several MSPs.

Our vision is for a UK resource efficient materials economy for the 21st century which realises value, prizes quality and seeks to maintain the integrity of the secondary materials which are still too commonly treated as waste.

Our mission will be to support the development of a sustainable and healthy industry by providing a voice, forum and leadership for the materials reprocessing and recycling industry and related environmental and social interests which is distinctive and clearly identifiable and separate from related interests in traditional waste management.

Today, we have 20 members representing a broad spread of major reprocessors with UK operations taking materials from the Scottish resource stream, local authority waste partnerships representing over 30 councils and a range of major brands, collection companies and equipment suppliers in the recycling supply chain. Our members activities in recycling and reprocessing and related economic activity account¹ for over 4 million tonnes of material recovered and recycled, over 5,000 jobs and contribution to UK GDP of over £1.2 bn. A full list of our Members is appended for your interest.

Overview of our response

The Resource Association welcomes the ambitious and bold approach to resources and waste of the Scottish Government as set out in the Zero Waste Plan 2010 and taken forward in these draft Regulations. We endorse the Zero Waste vision for Scotland and note that the reprocessing and recycling industry has a vital part to play in the delivery of this vision, as it chimes very much with our own vision and mission as set out above.

We support the broad thrust of the three key action points as set out; namely, landfill bans and associated support measures (Action 4), regulation to drive separate collection and treatment of a range of resources (Action 8) and regulatory measures to support landfill bans by ensuring energy from waste treatment is only used to recover value from resources that cannot offer greater environmental and economic benefits through reuse or recycling (Action 14). The Association also supports the five main proposals highlighted in the Regulations: namely; the requirement to remove certain key recyclables (plastics and metals) from mixed waste prior to incineration, the requirement for businesses to present dry recyclables and food waste of more than 50kg/week for collection by the end of 2013, the requirement on councils to provide householders with a collection service for dry recyclables (end of 2013) and food waste (end of 2015), the ban on materials collected separately for recycling going to landfill or incineration (end

¹ Resource Association conservative estimate based on short survey, using UK operations only. A full economic impact of our members' activity will be published later in the year.

of 2013) and the ban on biodegradable municipal waste to landfill (by end 2020) in line with the Landfill Directive.

We also particularly welcome the initiative by the Scottish Government, working with COSLA and Zero Waste Scotland to publish an annual report summarising the destination of material collected for recycling. This is an important step forward in improving transparency in the process of collecting and reprocessing of recyclables at home and abroad and will improve public confidence in understanding what actually happens to recycling.

These three key action points and five main proposals send a series of hugely significant market signals about the direction of travel of the Scottish waste and resources sector and point to the potential for increased investment in the reprocessing and recycling sector to respond to the policy signals given.

Critical here will be the strength and consistency of follow through, regulation and delivery programmes. We note the Scottish Government's strong support for Zero Waste Scotland and encourage you to maintain and strengthen this. It is developing a comprehensive delivery programme designed to meet the challenging and exciting targets you have set and deserves every support.

Also critical to the success of this approach, namely the general use of regulation to prescribe the presentation of materials for reprocessing and recycling requires a consistent and robust approach to the delivery of quality standards for materials being collected, sorted and reprocessed. In particular, a ban by the end of 2013 on materials collected separately for recycling from going to landfill or incineration means that secure and sustainable outlets must exist for the onward reprocessing of these materials, and therefore they must be available to reprocessors to agreed, consistent and regulated quality standards to ensure that the resource-based green economy that the Scottish Government seeks to encourage is not hampered by material quality contamination from poorly managed sorting systems. There is an important issue around timing and phasing of bans which could pose the risk of material banned from landfill moving into low quality collection systems, but if managed well could maintain and improve the protection of material integrity needed for both the Scottish resources-based economy and the wider UK reprocessing industry. Reprocessors based across the UK will continue to be an important outlet for quality secondary resources from the Scottish resource stream, as is the case in Wales².

The Scottish Government have sent a good signal about their desire to see high quality recycling and the integral role this has in the growth of the green economy in Scotland. However, the uncertainties that remain about the devising and implementation of quality standards, together with the uncertainties outstanding on the interpretation of the definition of separate collection and the role of co-mingled collection mean that our recommendation at this stage is that the Scottish Parliament should postpone consideration and approval of the Regulations until after completion of the Judicial Review of Defra's proposed transposition on separate collection.

Collection systems, quality and standards

In a Policy Statement issued at our launch in November 2011, the Resource Association expressed the view that the quality and carbon benefit of resources are

² SKM Enviros (2012), Dry Recycling End Destinations – a report for Local Authorities in Wales
<http://wales.gov.uk/docs/desh/publications/120329wasteenddestinationsen.pdf>

essential contributors to sustainable resources management, and that quality is a function of various factors not just the method of collection. Maintaining quality, integrity and consistency of feedstock to reprocessors reduces energy and water consumption in manufacturing and by minimising the additional costs to manufacturers associated with the management of mixed (often contaminated) materials it helps to maintain the global competitiveness of Scottish-based and other UK manufacturers using quality recovered materials to make quality products from the Scottish resource stream.

We therefore remain focused on promoting the usability of secondary resources as the primary issue of concern, rather than the merits of one collection method over another.

Our members have wide experience across the recycling supply chain, as major manufacturers of products using recovered materials and including the operation of MRFs and collection systems involving both source separation and co-mingling of recyclables. Our collective experience (backed up by evidence from research conducted by WRAP³) is that the increased use of co-mingled collection has resulted in generally lower quality of feedstock arriving at UK reprocessors (with consequent cost impacts for manufacturers) and for a number of years now this has been a growing concern for many reprocessors. Some have adopted a strategy of adaptation to this market movement by resorting to investment in their own MRF capacity in order to take full control of the quality of recovered material entering their manufacturing operation. Most find themselves in the position where they have little choice other than to receive poorer and inconsistent quality feedstock coming from co-mingled collections and deal with the challenges that this places on their manufacturing efficiency.

Most recently, this has manifested itself in the market failure inherent in the delivery of recovered paper to UK paper mills, with figures from the Confederation of Paper Industries (CPI) showing that UK paper mills had to import around 170,000 tonnes of material to maintain high quality recycling – against a backdrop of almost 4.5 million tonnes of paper being exported for overseas consumption. This appears to be a rising trend and in our view is not sustainable.

Our primary concern in the Regulations relates to the Scottish Government's interpretation of the revised Waste Framework Directive in relation to the definition of separate collection. We support both the tone and the ethos behind the statement from the Scottish Government, where it is stated that co-mingling of dry recyclables is only permitted where the:

“...waste hierarchy is not undermined and *material quality remains as would be if items were collected separately by individual waste type* [emphasis added]. The aim of this approach is to deliver high quality recycling thereby ensuring that more material is recycled and its market value maximised.”⁴

This clearly does not preclude the use of co-mingled collections provided the quality of material subsequently available for sustainable reprocessing in the UK meets the objectives set out by the Scottish Government. However, there are two major areas to address in relation to this issue:

³ WRAP (2008) Kerbside Recycling: Indicative Costs and Performance and also Welsh Government (2011) Kerbside Collection Options: Wales report (commissioned by WRAP).

⁴ Scottish Parliament Information Centre (SPICe) Briefing – The Waste (Scotland) Regulations 2012, p11

1. **Quality standards.** We note that work has started by Zero Waste Scotland to scope out the requirements of reprocessors in relation to quality thresholds for contamination of feedstock for different material reprocessing facilities. We commend this work and we know that ZWS does not underestimate the challenge it has in getting waste collection industry and material reprocessing sector agreement on quality standards and appropriate levels of regulation and penalty for non-compliance. We remain committed to constructive engagement on these important issues, but must impress upon the Committee and the Government that resolution to these issues is an urgent task. In addition, on this one key issue, it is important that the dialogue between the Scottish Government and Defra in the work they are managing on quality standards is conducted directly and not through stakeholders. A co-ordinated approach to standards development would assist all interested parties.
2. **Uncertainties related to definition of separate collection.** Our concern is that while European Commission guidance on this and other issues in the rWFD remains unpublished it is not fully clear how co-mingling is to be determined as a “form of derogation from separate collection”⁵. This, together with the potential significance of the outstanding Judicial Review against Defra and the Welsh Government on the definition of separate collection means that major uncertainties are still not resolved in terms of the legal interpretation of the definition of separate collection and its future implementation.

Without resolution to these two issues in ways that ensure consistency and quality in the provision of materials to reprocessors, the risks to UK reprocessors of diminishing quality of feedstock mean that it would be better to maintain a preference for separate collection. If anything, real improvements in quality are needed if reprocessors are to deliver on other policy requirements such as lightening product weights (waste prevention), achieving process efficiencies (competitiveness) and reducing emissions (required by other Directives).

Conclusion

Our considered view therefore is that these two areas of uncertainty and outstanding work are of sufficient significance that it would be prudent for the Scottish Government to postpone the Parliamentary approval of the Regulations until after resolution of the outstanding Judicial Review in June. If the Scottish Government is able to remove the clauses related to the definition of separate collection⁶ then there would be no reason why the vast bulk of the Regulations could not be approved earlier. In our view, the uncertainties surrounding the definition of separate collection and any other possible legal challenge are sufficient to justify the postponement.

In addition, a clear programme of action on quality standards and a timetable for completion is also needed urgently, and we urge ZWS and the Scottish Government to inject fresh urgency into this critical element of the Zero Waste programme.

Ray Georgeson MBE
Chief Executive, Resource Association

⁵ *Ibid.*, p10

⁶ The Waste (Scotland) Regulations 2012, Section 2 (3) (b) (25) (a) on pg2 and Section 2 (5) (4) on pg4 i.e., the new 45C(4)

APPENDIX 1

Resource Association – membership at April 2012

Alloa Community Enterprises

arc21

Aylesford Newsprint

Bryson Recycling

Coca-Cola Enterprises

Ecolateral

ECO Plastics

Huhtamaki (UK)

Kent Waste Partnership

May Gurney

Novelis Recycling

Palm Recycling

Plastics Sorting

Resource Futures

Romaquip

Smurfit Kappa Recycling

Somerset Waste Partnership

Straight

UPM

Wood Recyclers Association