

Submission of the Scottish Environmental Services Association

- SESA is the trade association representing Scotland's waste and secondary resource industry.
- We are a leading partner in Scotland's transformation from a disposal to a zero waste society and SESA's Members have helped Scotland's household recycling rate increase to above 39%.
- SESA's Members will largely be responsible for the investment in infrastructure and services required to deliver the Zero Waste Plan.

Opening remarks

SESA welcomes the opportunity to contribute to the Scottish's Parliament's scrutiny of the zero waste regulations. However, we are disappointed that the regulations have yet to be laid and in preparing this submission, the Scottish Government's Policy Statement has offered a poor substitute to carrying out a detailed review of the draft regulations. The importance of these regulations in driving our industry's investment in new waste infrastructure and services should not be under-estimated, and we would therefore welcome the opportunity to submit supplementary evidence to the committee upon review of the regulations.

SESA nonetheless broadly supports the Scottish Government's direction of travel. Provisions for the source segregation of key materials will help increase the amount of material available for high quality recycling, leaving the residual waste available for the generation of renewable energy.

Our written submission is focused on the following sections of the Policy Statement.

3.1 – the waste hierarchy

Our industry is committed to high quality recycling, as this material commands a higher market price and can more usefully be returned to the productive economy. However, the Scottish Government wrongly assumes (page 9) that high quality material will be a sufficient driver for stimulating investment in domestic reprocessing infrastructure, thereby insulating Scotland from global fluctuations.

Investment in reprocessing capacity is driven by market forces, energy and labour costs with recyclates commonly traded as commodities on the global market. The Scottish Government must be wary of regulatory intervention in this area which could distort markets and may not achieve the desired increase in domestic reprocessing capacity.

The lack of detail in the Policy Statement makes it difficult to discern what value the Scottish Government places on renewable energy or nutrient recovery when considering the treatment of food waste. Closed-loop recycling of food waste would imply that digestate from food waste treatment

processes (e.g. anaerobic digestion) should be returned to productive farmland. However, there are a number of practical challenges in finding secure markets for digestate, as demand is both local and seasonal.

The Scottish Government should therefore clarify the position of anaerobic digestion without productive use of digestate (where the energy content is recovered, but the nutrient content is not) within the waste hierarchy. If the Scottish Government wishes to achieve closed-loop recycling of food waste, the regulations must be supported by a more co-ordinated effort to improve the market demand for digestate.

3.2 – promoting quality recyclable materials

SESA welcomes the Scottish Government's acknowledgement that co-mingled collection of dry recyclables followed by treatment in a Material Recovery Facility (MRF) complies with relevant provisions of the Waste Framework Directive. However, in seeking to introduce regulations, the Scottish Government is urged to exercise caution and avoid regulatory intervention which cuts across markets. Proposals to introduce contamination thresholds on MRF outputs would seem to suggest a fundamental misunderstanding of waste material flows in the economy, the role of the supply chain in recycling waste, and the potential for market forces to drive improvements in material quality.

We note that the Scottish Government is minded to stipulate that co-mingled collection followed by treatment in MRFs would only be permitted where MRF outputs could achieve the same sort of composition as material derived from kerbside-sort. We don't support this approach. We believe that the key determinant must be that MRF outputs are recycled as much as possible into high quality outputs – whether that process is simple or whether it provides an opportunity and role for new technology and further processing. The drivers for “high quality recycling” must address issues related to down-cycling rather than micro-manage the composition of material at an arbitrary stage in the supply chain. All supply-chain processes that turn paper into paper, metals into metals, glass into glass (rather than aggregate), and plastics into plastics (rather than fuels/park benches etc) must be considered to be high-quality recycling. This typically happens, although we do think that advances in technology provide scope for even better performance

In the view of our Members who operate both co-mingled and kerbside sort systems, no single standard exists for describing the outputs of kerbside-sort collections. These collections – much like co-mingled – produce a wide range of material, including sometimes high levels of non-target materials. Therefore, benchmarking to ‘kerbside-sort’ standard is neither a desirable nor a practical proposal.

SESA fully supports efforts to improve the quality of recyclable materials, and to this end our industry has developed a MRF Code of Practice. Incorporating the principles of quality management systems, registered MRF operators can verify that waste is handled in compliance with the requirements of the Waste Framework Directive; outputs meet market specifications and are recycled;

and if exported, demonstrate that waste is recycled and has been accepted by a reprocessing facility which operates in broad compliance with domestic regulations. We believe the an efficient supply chain, where buyers and sellers enter into transactions with full information about what they are buying and selling, will allow investments in new technology and infrastructure to be made wherever they are most effective and deliver the greatest return, promoting high quality recycling at the lowest cost to waste producers.

Intervention efforts to “promote high quality recycling” should focus on working with local authorities to improve the standard of materials collected for MRFs, encouraging a greater level of specificity and information in transactions over outputs (that allows for the variability of waste and capabilities in supply chains across Scotland), and creating an environment conducive to investment in new technology and infrastructure. The current proposal does none of these three things.

5.1 – presentation and collection of recyclables from businesses

SESA supports the statutory requirement on businesses to source segregate dry recyclables by 2013, and our Members can provide a suite of collection services to allow waste producers to comply with these new requirements.

However, the Scottish Government has yet to define ‘source segregation’ (i.e. the extent to which recyclable materials should be segregated at source), while the February 2011 consultation suggested that businesses will be provided with a number of exemptions from complying with the ‘requirement to sort’.

It is unclear whether exemptions will be included within the scope of the regulations, but if so, these must avoid undermining the strategic objectives of the Zero Waste Plan.

We note that the requirements on businesses to present food waste for separate collection varies depending on the size of businesses, based on the number of employees (FTE). This appears to be a rather blunt instrument, and in applying this criteria, a seemingly large business - such as a restaurant with multiple franchises - could qualify as a ‘small business’ and benefit from the 2015 deferral of food waste requirements.

5.2 – use of food waste disposal units

SESA supports the proposed ban on non-domestic macerators as an essential measure to supplement the requirement to sort food waste.

5.3 - local authority recycling services

The decision to remove textiles from the list of materials that local authorities are required to collect is welcome.

However, SESA is concerned by measures encouraging local authorities to expand into business waste collection services, as a recent change in VAT status provides local authorities with an unfair competitive advantage.

HMRC had changed the VAT status of local authority business waste collections, removing it from the scope of VAT. In practice this enables local authorities to offer waste collection services to some businesses 20% lower than collection services provided by SESA's Members.

We suggest that the regulations stipulate that a local authority – upon a request by a business to provide a waste collection service – should assess the existing market and should only be required to provide a service where no other provider is available.

5.4 – food vs biowaste

SESA is concerned that despite the Policy Statement's acknowledgement that separate food waste collection is more cost effective and provides the greatest environmental outcome, the Scottish Government still proposes to allow the co-mingled collection of food and garden waste.

Whilst we understand that local authorities will likely be driven by short term transport costs, the mixed collection of food and garden waste would appear to directly contradict the strategic objectives of the Zero Waste Plan, and would negatively impact upon well established operations supplying PAS100 compost to market.

We understand that some treatment processes require the mixing of food and garden waste upon site reception to provide a suitable feedstock, and that provision is correctly made for this on page 19. This would therefore seem to negate the need for co-mingled food and garden waste collection services.

6.2 – separately collected materials

SESA supports in principle the proposed ban on the landfill or incineration of separately collected material. However, it would be prudent to include flexibility in the regulations to allow the landfill or energy recovery of any material in exceptional circumstances (such as market collapse or catastrophic damage to recycling facilities).

6.3 – pre-treatment prior to incineration

SESA supports the principle of pre-treatment prior to incineration as a means of ensuring that only residual waste is incinerated. However, there is little evidence in the accompanying Business Regulatory Impact Assessment to suggest that the Scottish Government has fully explored the costs and associated environmental impacts of recovering metals and plastic by this means.

Metals, for example, could be recovered through pre-treatment or post-combustion. There is likely to be an increased cost associated with extracting metal before combustion and we would expect the Scottish Government to have assessed this against the costs and environmental benefits of the post-combustion recovery of metals.

The Policy Statement introduces much uncertainty by suggesting that 'target' materials for recovery through pre-treatment will be reviewed over time, which could result in redundant assets or expensive modification to plant design. The case for reviewing target materials must be supported by a robust evidence base and appropriate lead-in times. The Scottish Government should liaise closely with the industry before implementing potential changes.