

CIWM consultation workshop

EPR proposals and alignment with DRS and consistency consultations... some preliminary thoughts and issues

recycling and recovery UK

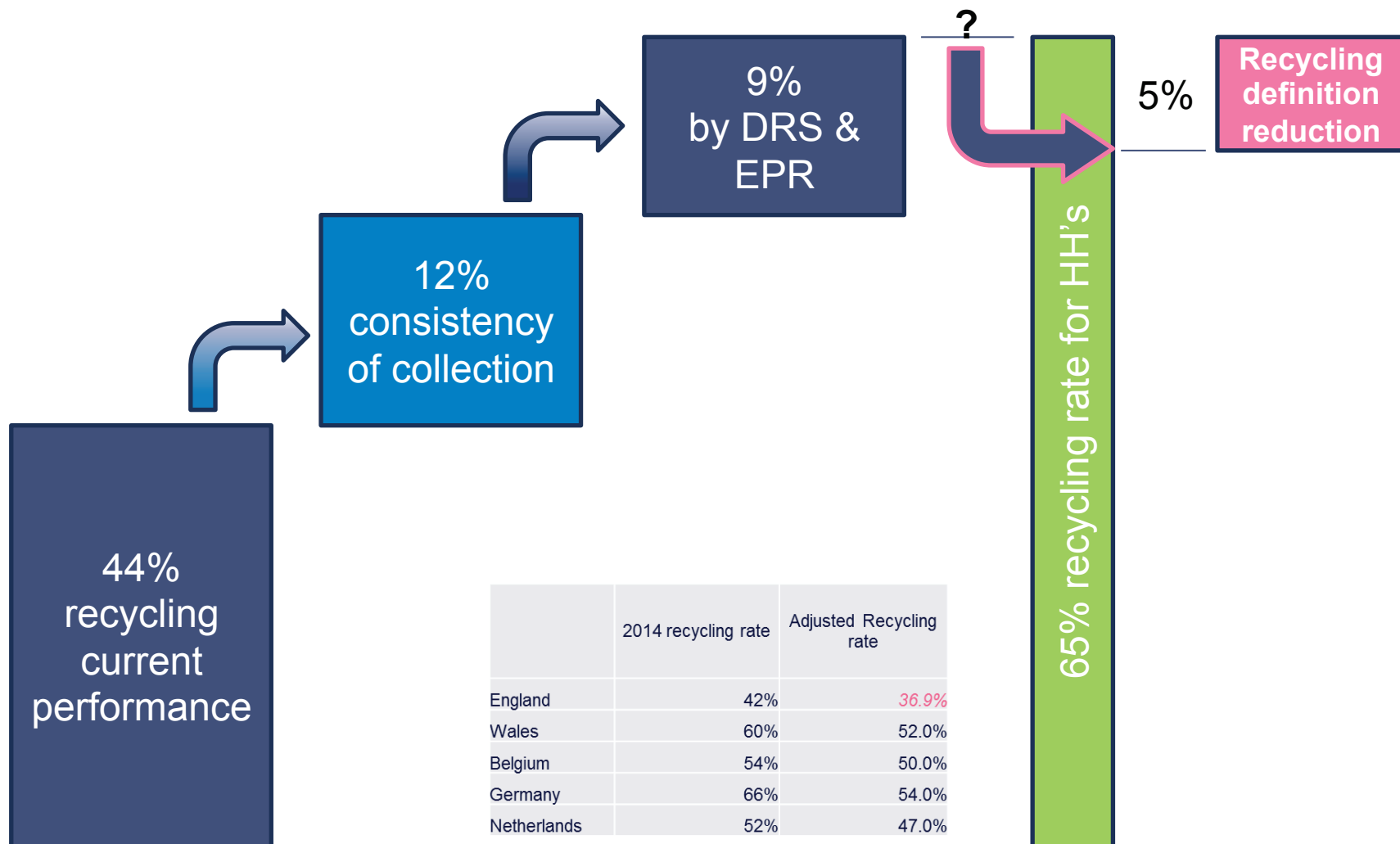
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ready for the resource revolution

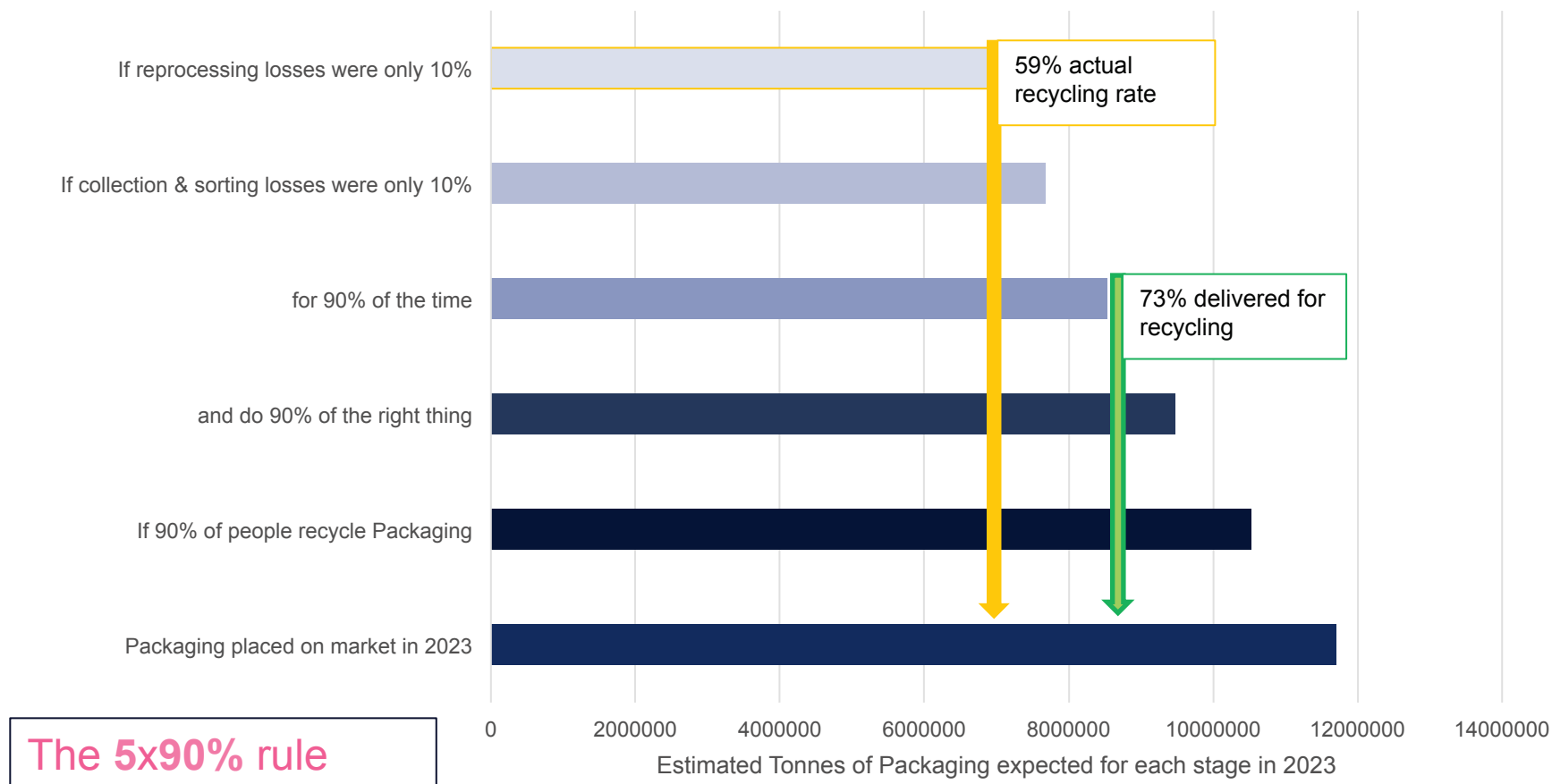


Recycling | how the uplifts are explained

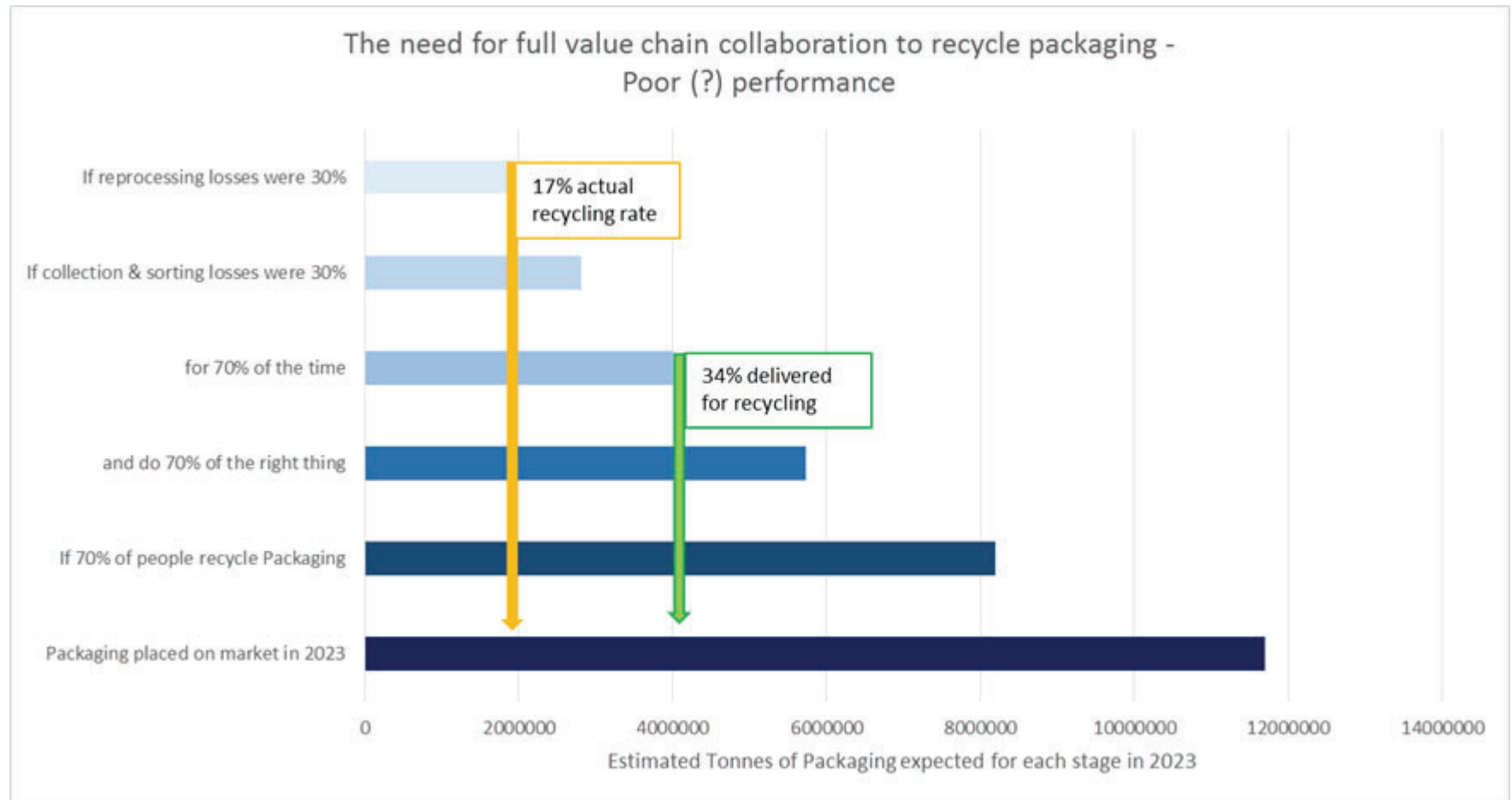


Recycling | the need for collaboration

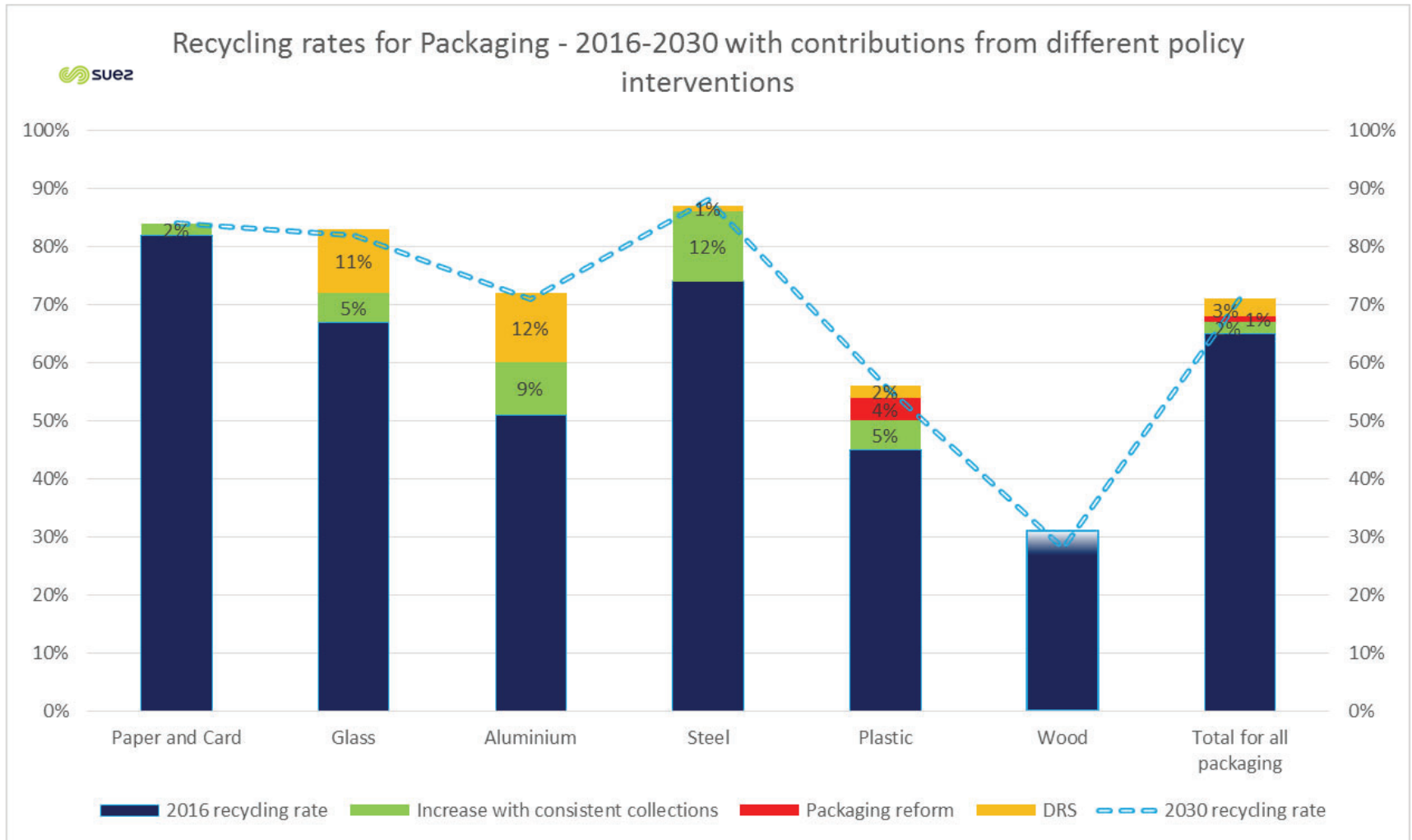
The need for full value chain collaboration to recycle packaging



But it could be so much worse!



Recycling | more packaging recycled



EPR models

○ Model 1

- Individual compliance organisation contracting with individual LA's could lead to a 'not level playing field' ?
- Modulated fees against targets could create cliff edges in value, creates a penalty culture (what happens if you don't reach your target) and will be difficult to calculate as it needs to be reasonably accurate (EU-CEP necessary ad efficient costs)
- Inclusion of non household like packaging may skew efforts away from household like packaging, would prefer non household like was given its own targets and EPR fees

○ Model 2

- Big central bodies can be expensive and often inefficient (aka German model before competition was introduced), thus this option could be expensive to consumers and less than efficient
- Modulated fees against targets creates cliff edges etc.
- Inclusion of non household like packaging may skew efforts away from house like packaging etc.

EPR models

○ Model 3

- Like the removal of non house like packaging from the household like but only want separate targets not separate system!
- Big central bodies can be expensive and often inefficient etc.
- Modulated fees against targets could create cliff edges in value etc.

○ Model 4

- Targets 100% of materials placed on market and covers in one fee all materials, irrespective of it being recycled, littered or put in the residual....
- Don't like the lack of detail given to model 4 compared to the other 3
- Like the central body setting targets and fees..... Direction & Ownership!

EPR Payments

- Don't like separate payment mechanisms for municipal and business waste
 - we think that the paymech should be the same and based on the outcome element described for the commercial business....
- Don't like the flat target and fee approach
 - payments and targets need to reflect better the 'DNA' of the LA and their ability to achieve certain material harvest rates.....
- Don't like the inclusion of flexible packaging and cartons here
 - but in effect they are condemned to compensating residual as they are not primarily a target material for the consistent collection consultation
 - if brands are paying for their materials they should have the right to have them collected for recycling - if their recycling rate is low they pay more (which is where we like the deposit system as in effect the higher residual payment is built into the penalty headspace in the PoM fee, whereas in the modulated fee they would need to have a penalty applied as well as picking up the costs of residual waste treatment)
- Don't like the paymech for LA's involving what appears to be a flat rate for collection (providing a truck and crew) and additional payments for the materials collected
 - they should be paid on outcome, like that proposed for business waste collections

EPR other issues...

- Don't like that compostable packaging is excluded
 - all packaging should be included
- Like the proposed move to a single point of compliance
 - this should be the retail option not the pack filler as this will give more discrete data and allow more local PoM volumes to be used when considering LA extraction performance
- There must be some transparency that allows obligated producers to see the efficiency of spend
 - as such benchmarking LA performance (and commercial) within a set of consistent collections and DNA factored targets and costs is essential.....

Feedback from several LA based workshops in the last few weeks ...

- A retailer at the point of sale generates EPR revenue and local authorities would be paid on outcomes
- Outcome = how efficiently the authority delivers obligated materials (measured against peers)
- One idea was for payments based on a contamination baseline with greater funding if it is reduced and/or penalties if the quality drops
- Better to focus at the local authority level on **measuring 'leakage'**
 - those materials that should be collected through household recycling but are not
 - the deficit would be measurable and unaffected by those materials recovered through DRS, take-back or other EPR schemes

**We are only 3 weeks into the consultations,
and we have 2 of us doing high level &
deep dive reading, modelling & assumption
testing.....**

Lots of analysis still to go....

This is our current (prelim) thinking....

Any Questions?

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