



**Best in class
deposit systems**

22 November 2019
Brussels

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The Impact of Deposit Refund Schemes on Municipalities

Best in Class Deposit Return Systems for Single Use Beverage Packaging

18th November 2019

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Chairman

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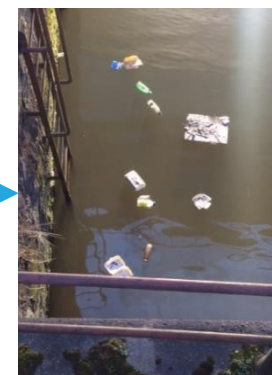
Outline

- 1. Nature of the changes**
- 2. What determines impacts today?**
- 3. What may determine impacts tomorrow?**

Likely Nature of Changes



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Who Arranges for Separate Collection of Beverage Containers?

1. Who arranges for the recycling collection service?

- PRO?
- Municipality?
- Waste company

Outlin



If the PRO Does Not Take Physical Responsibility....

2. If not a PRO, then ...

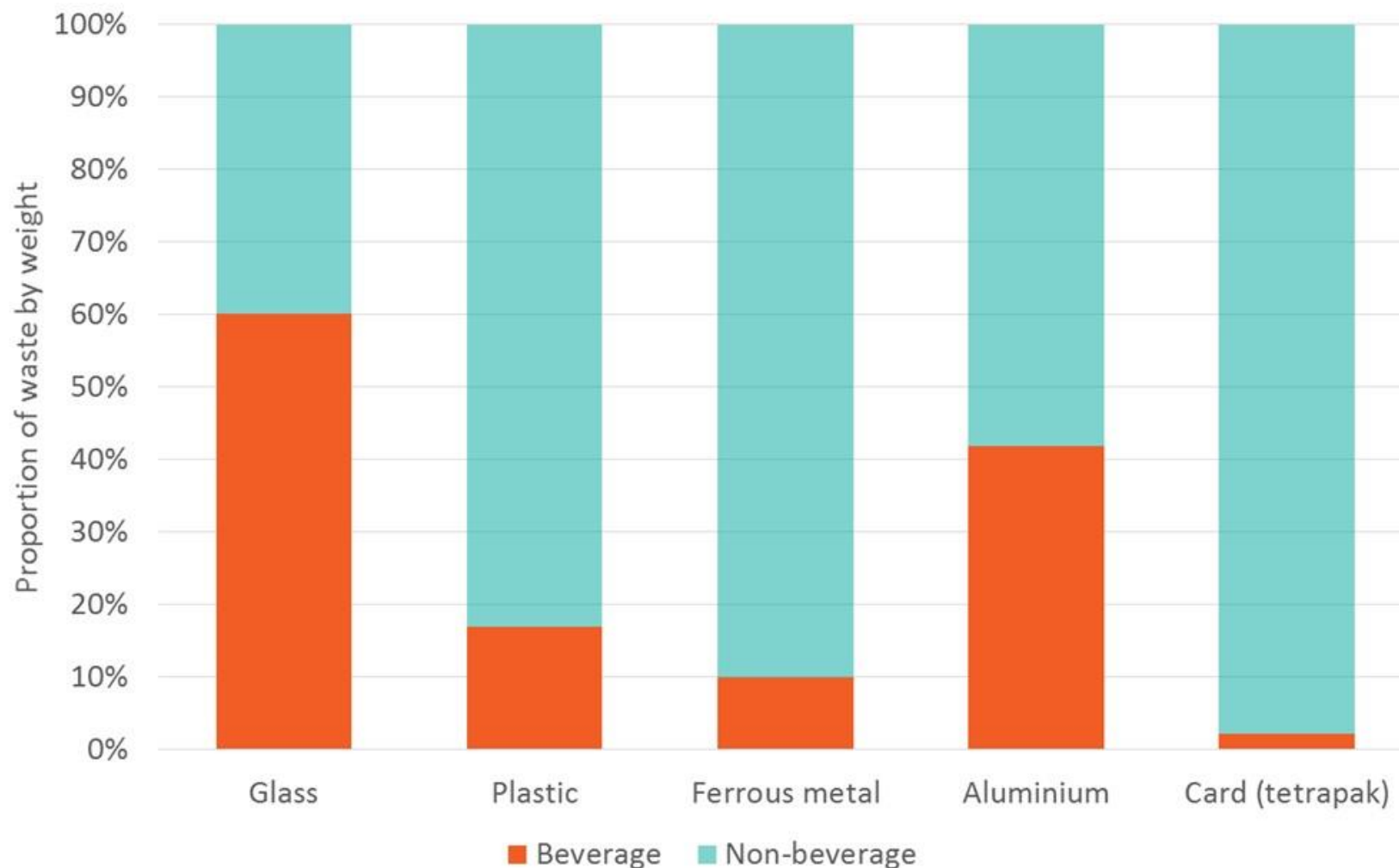
- What does the producer responsibility scheme pay for (and how is this determined)?
- What's left for municipalities / others to pay?

What is the Situation Where There's No Support from PROs?

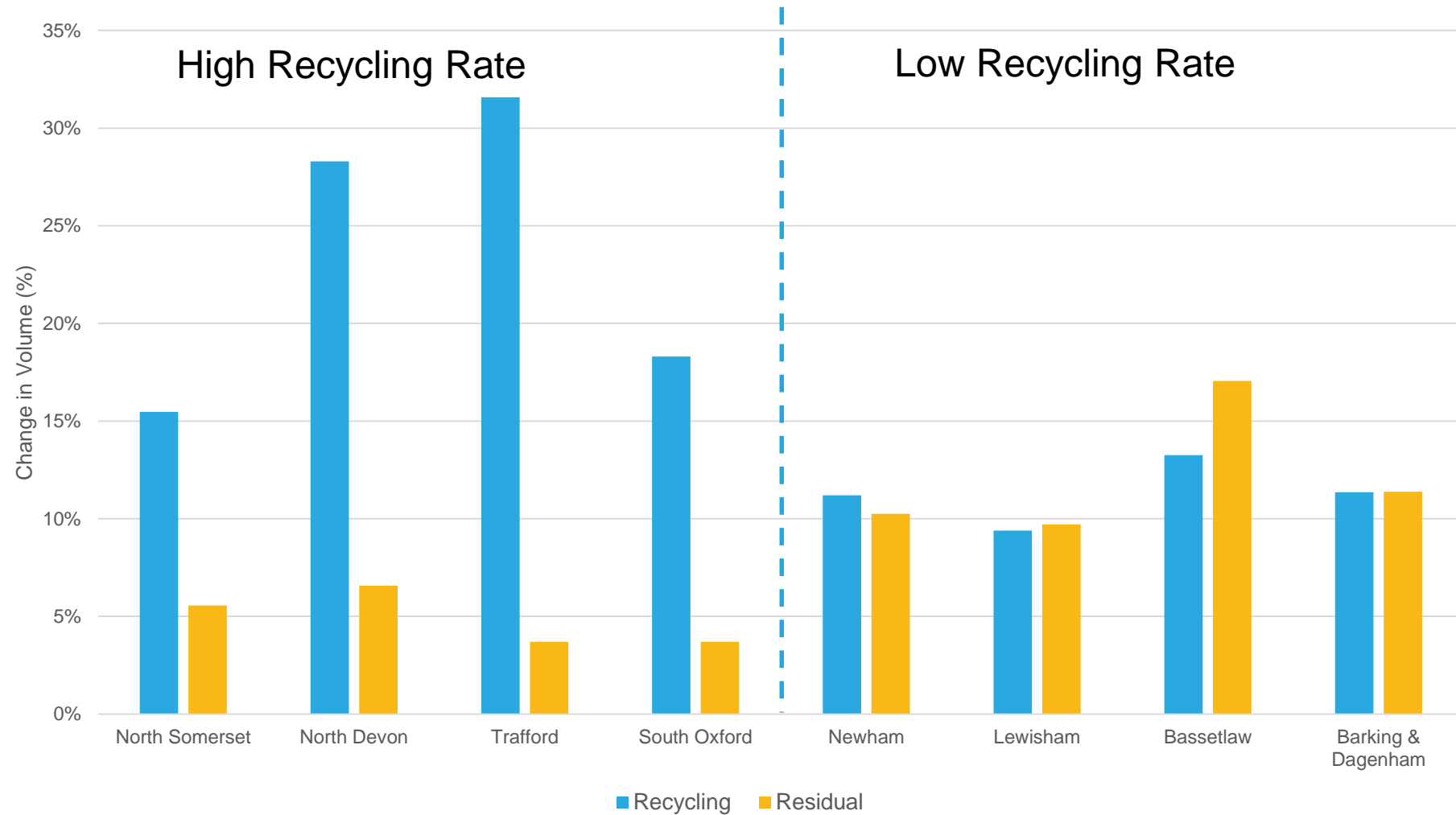
3. Assuming the 'worst case' (no payment from PROs), then

- What happens to collection costs?
 - What's the current 'rate of capture' of beverage containers (source separation and mixed waste)?
 - Determines nature of change in
 - Dry recyclables stream
 - Residual waste stream
 - Litter stream

Materials in Waste – DRS / Non-DRS



Change in Volume Post-DRS (reduction)

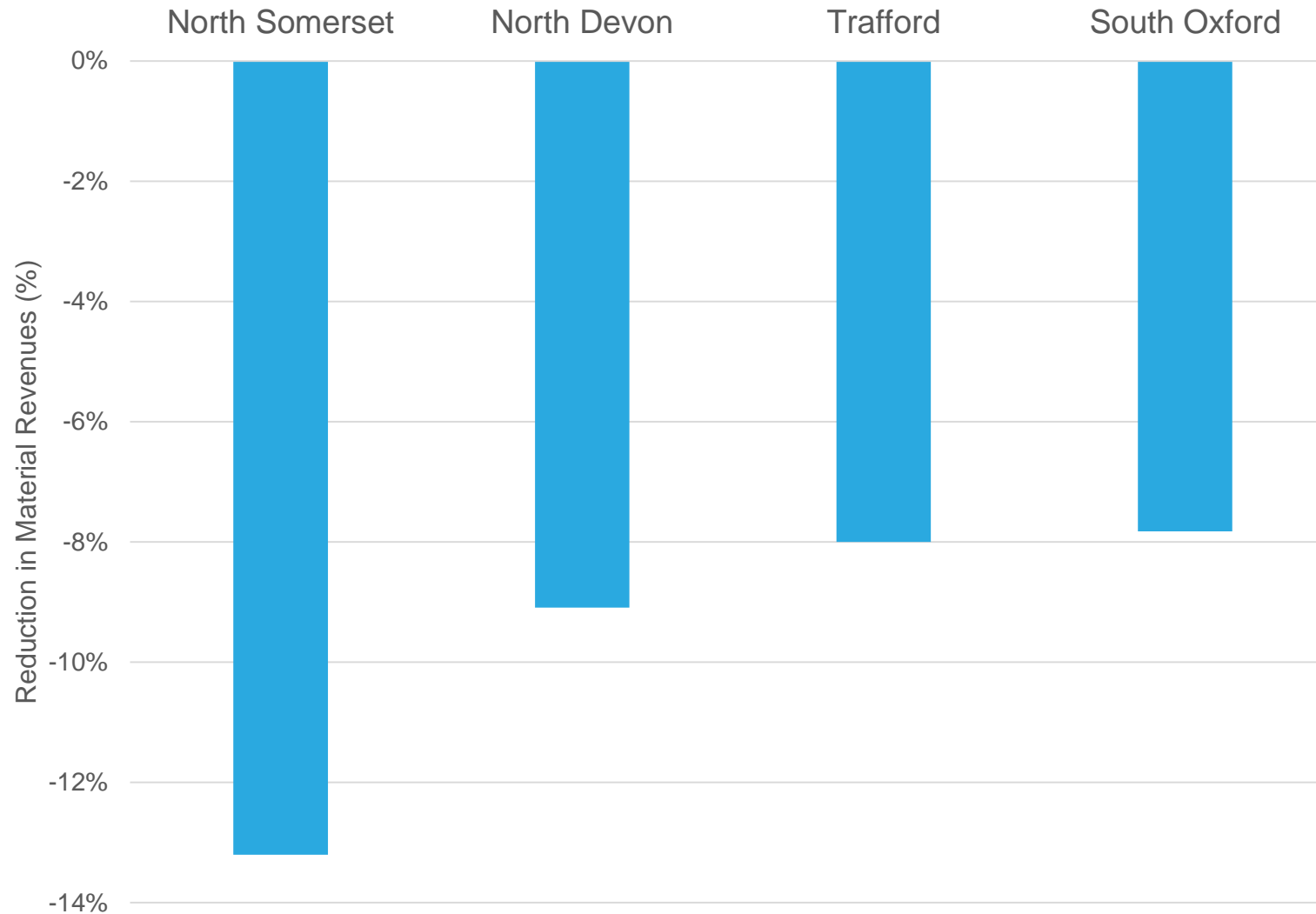


What Happens to Collection and Sorting of dry recyclables?

4. What happens to the costs of the collection service for dry recyclables?

- There will be a revenue loss (loss of containers)

Estimated Change in Revenues Post-DRS (relative to whole service)



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What Happens to Collection and Sorting of dry recyclables?

4. What happens to the costs of the collection service for dry recyclables?

- **There will be a revenue loss (loss of containers)**
 - Changes in volumes can influence how collection rounds are configured / required frequency of collection etc. – cost savings
 - Static view / dynamic view
 - There will also be effects on sorting processes
 - What is the balance of ‘revenue loss’ v changes in collection / sorting costs?
 - Who benefits from revenue from material sales?
 - Where collection / sorting undertaken by private actors, what is the scope for contract re-negotiation / re-letting?
 - Some contracts are poorly specified

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Local Authority Waste Services

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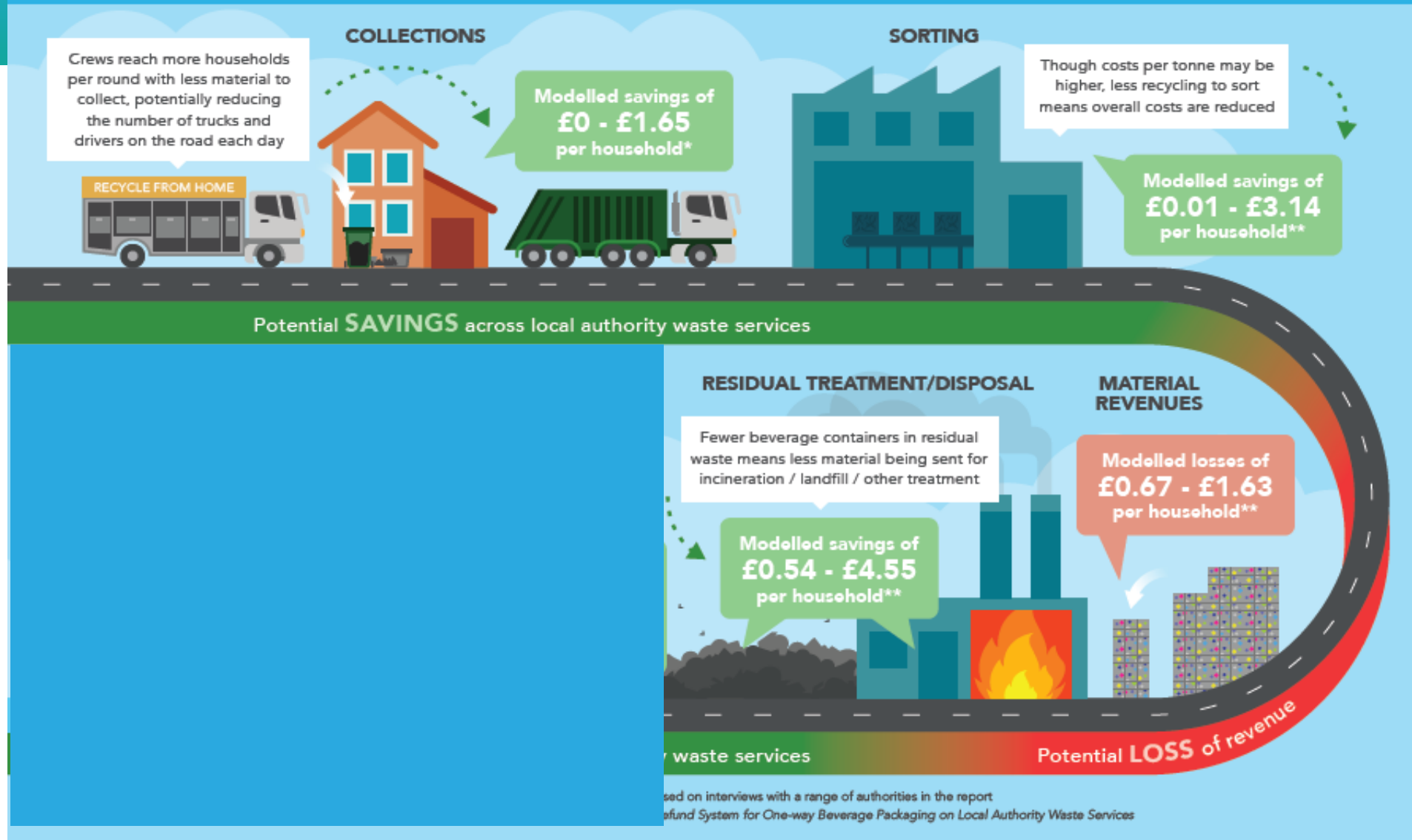


What Happens to Collection and Treatment of Residual Waste?

5. Are there savings to be made on residual waste?

- Unrecycled beverages are a smaller proportion of total residual waste (and weight may be the constraining factor)
- Collection savings likely to be limited
- But savings on treatment / disposal are likely
 - As long as contracts 'allow'

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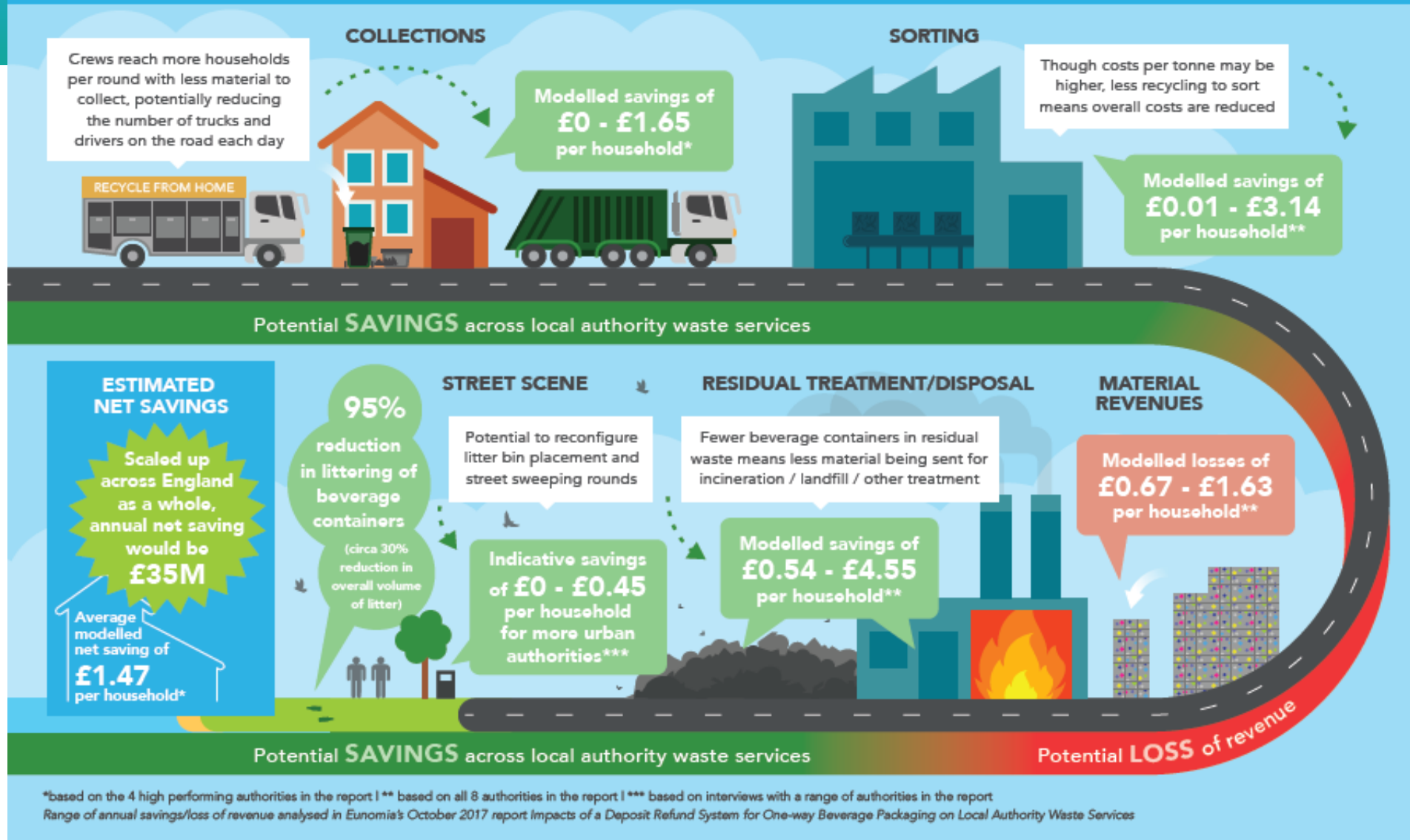


What About 'Public Waste Collection' / Litter?

6. Are there savings to be made on public waste collection / litter?

- Collection / clean-up savings depend on approach taken / frequency of visits
- Where containers are collected, there will be savings on treatment / disposal
 - As long as contracts 'allow'

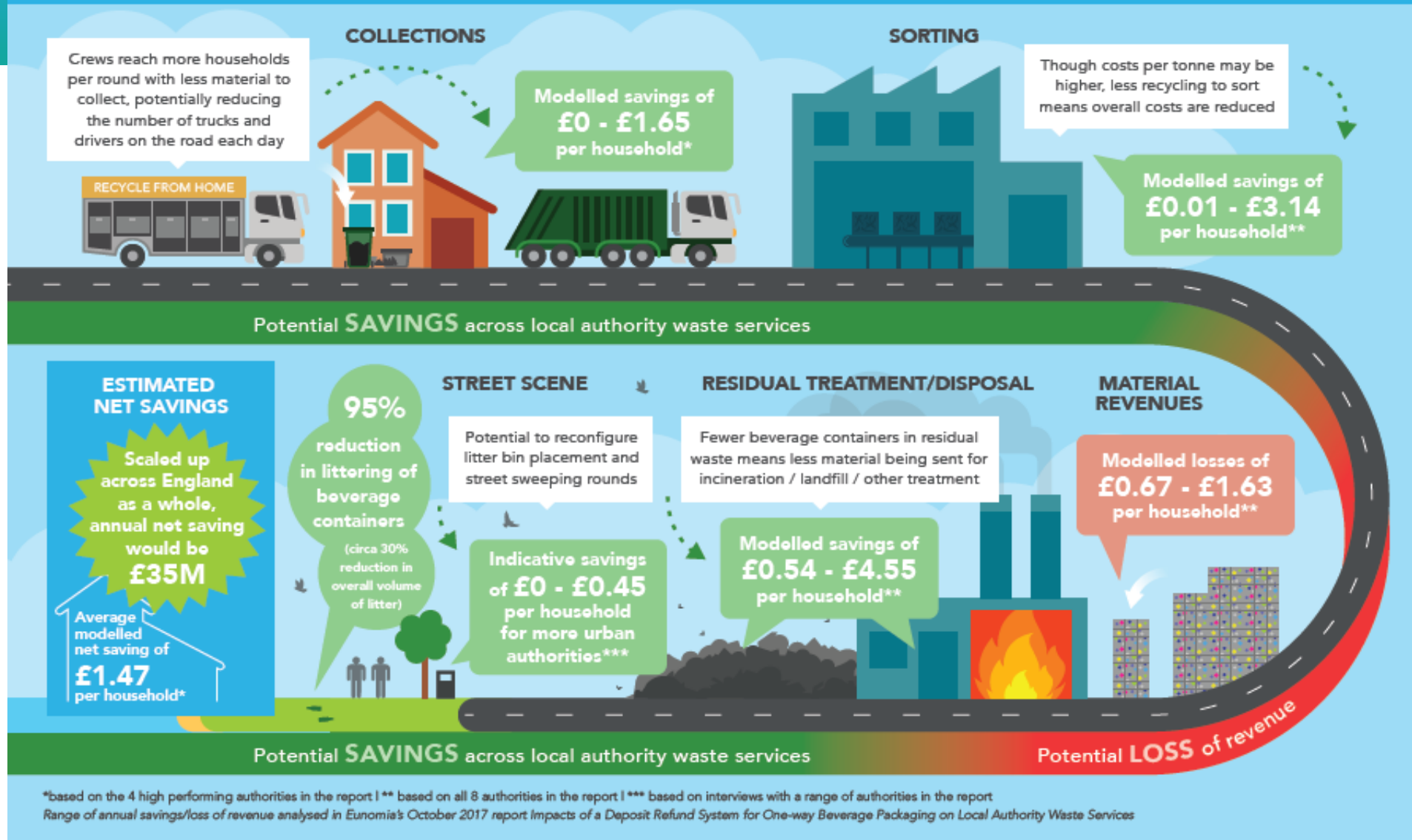
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Summary (situation now)

- 1. If PRO takes physical responsibility, effect on municipalities is restricted to residual waste / littering**
- 2. If Ms have responsibility for service, impact depends on what, and how, PROs support costs**
- 3. Where no support from PROs, impacts depend on current service performance**

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Future

- **Full costs of recycling service to be met under EPR, net of recycling revenues / unclaimed deposits**
 - **Some may choose to expand the envelope of 'cost recovery'**
- **EPR to meet costs of public waste collection and litter clean-up (plastic beverage containers)**
- **Will move increasingly to situation where effect on municipalities should be restricted to the costs of treating / disposing beverage containers found in residual waste**
- **Strong argument for introducing DRS as EPR schemes are reconfigured**



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