

A WORLD LEADING DEPOSIT RETURN SCHEME

Briefing for Ocean Conservation APPG

Author: Surfers Against Sewage

Date: 09/04/2021

TOP LINES:

- A DRS is an important mechanism for keeping plastic pollution out of the ocean and the environment but it must form part of a wider policy of reduction.
- The implementation of a DRS for England, Wales and Northern Ireland has been delayed until late 2024 (at the earliest)
- A DRS must be convenient for the public to use and consistent across the UK in order to maximize uptake, use, environmental impact and ultimately the success of the scheme.
- An 'all-in' deposit return scheme presents both the best environmental and financial DRS model.
- A model that includes a wide range of materials will increase scheme uptake and avoid unintended negative consequences of producers switching materials.
- The level of deposit should be sufficiently high to incentivise positive behavior change.
- The scheme must be designed to incentivise reuse and refill.

OVERVIEW

Plastic pollution has extremely damaging effects on the ocean ecosystem. Birds, whales and turtles are all too often being killed by ingesting or becoming entangled in these plastics. Microplastics have now found their way into the food chain with still little known about the toxicity and subsequent health implications to humans.

A recent study undertaken by Reloop in collaboration with CPRE and Greenpeace found that 8 Billion containers were wasted in the UK in 2019 alone.^{1 2} A DRS will be a key step in preventing this material from entering into the ocean and environment.

A DRS works by requiring a consumer to pay a deposit when they purchase an item (e.g. a drinks bottle) which is then returned to them when they return said empty item. DRS systems have been proven to reduce the number of items polluting the environment and to also increase both the amount and quality of recycled materials.³

In 2018 the government committed to introduce a Deposit Return Scheme in England and the Environment Bill provides the enabling powers for the establishment of schemes in England, Wales and Northern Ireland. The scheme was originally due to be introduced in 2023, however this has now been delayed until late 2024 at the earliest.

DESIGN OF THE SCHEME

In order for UK DRS schemes to be truly world leading and effective in tackling pollution and creating a circular economy they must be clear, consistent, and understandable to enable the public to adapt and shift behavior quickly. Creating a system that is complicated or inconsistent across nations would increase confusion and add barriers to public uptake, significantly risking the overall success of the system.

The proposed DRS system should therefore:

- accommodate a broad scope of items now and in the future;
- its overarching principle should be achieving the best environmental outcome; through reduction, reuse and refill; and
- it should be user friendly and consistent across the UK.

The scheme must also be designed as part of a suite of measures including Extended Producer Responsibility schemes that work together to move towards a truly circular waste management system.

Measures to create a circular waste management system must also be set within an overarching policy framework that aims to reduce all forms of plastic pollution through the reduction in the production and consumption of non-essential single use items and other polluting plastics.

¹ CPRE: The Countryside Charity (2021) *New data: Over 8 billion drinks bottles and cans wasted in the UK in 2019*

² Wasted' containers are those landfilled, incinerated, or lost into the UK's terrestrial and marine environments.

³ Reloop (2016) *Deposit Systems for One-Way Beverage Containers; Global Overview*, 2016, <https://www.reloopplatform.org/wp-content/uploads/2017/05/BOOK-Deposit-Global-24May2017-for-Website.pdf>

SCOPE

The DRS should cover as many container sizes and materials as possible.

Size: 'all-in' vs 'on-the-go'⁴

In 2018 Surfers Against Sewage (SAS) undertook an extensive bottle monitoring research project with volunteers recording 27,696 bottles on UK beaches.⁵ The results of this work revealed that of all the bottles collected on UK shore lines, 58% would be excluded in an 'on the go' DRS system.

The government's own assessment of an on-the-go vs an all-in DRS contained within the second DRS consultation document states, '*whilst the costs of an on-the-go scheme are lower than an all-in scheme, the benefits of implementing the all-in model are considerably greater. Therefore, an all-in deposit return scheme would provide a higher net benefit, leading to higher levels of recycling, increased litter reduction and greater carbon savings.*' It goes on to highlight the net benefit of an 'all-in' system for the economy would be £5,885m compared to just £282m for an 'on-the-go' system.⁶

In addition, limiting the system to only certain sized items within an on-the-go scheme risks market distortion should producers simply change the sizes of their bottles and cans to avoid being in the scheme, as has been seen in other countries (e.g. Germany, The Netherlands). It would also create an unfair price advantage for producers who were outside the scheme compared to those selling similar products who were in the scheme.

A world leading DRS should therefore take all sizes of drinks containers to ensure it is effective at stopping material pollution entering into the Ocean.

Material:

In order for the DRS to be the most effective, it must include the widest range of materials used for drinks containers.

The SAS Bottle Monitoring Project found that the containers on UK beaches were made of a variety of materials, 57% were made of plastic, 31% were cans, 9% were made of glass and almost 3% were cartons and tetrapaks.⁷ This highlights the need

⁴An 'on-the-go' scheme would restrict containers in-scope to those less than 750ml and exclude multipacks, An 'all-in' scheme, would no restriction on the size of drinks containers in scope.

⁵ <https://www.sas.org.uk/news/plastic-bottle-data/>

⁶ DEFRA (2021) Consultation on Introducing a Deposit Return Scheme in England, Wales and Northern Ireland, Second Consultation https://consult.defra.gov.uk/environment/consultation-on-introducing-a-drs/supporting_documents/DRS%20Consultation%20FINAL%20.pdf p.21

⁷ <https://www.sas.org.uk/news/plastic-bottle-data/>

for a DRS to be able to capture all of these materials in order to achieve the best environmental outcome, a primary aim of a DRS system.

Including all kinds of materials will also ensure that producers do not switch the type of packaging they use in order to avoid the deposit fee.

There are also additional benefits to including each kind of material in a DRS:

- **Plastics:** Plastic bottles are the most widely found type of container on UK beaches. Eunomia Research & Consulting forecasted that the upcoming introduction of DRS in Scotland will result in 50,000 fewer PET bottles entering the natural environment each day.⁸ Scaled up to a UK wide system, this will have significant impact on the quantities of plastic entering the environment
- **Cans:** European countries such as Norway have captured 95% of cans for high quality recycling through their DRS. This compares to the UK's recycling rate of 72%, a quarter of which is harvested after incineration and therefore not currently suitable for closed loop recycling back into cans.
- **Glass:** Glass bottles can be effectively refilled and reused before they are eventually recycled. In countries such as Lithuania, DRS systems have not included glass from the onset and have subsequently had to pay above the odds to retrofit glass into the system as a result of public lobbying for its inclusion.
- **Cartons:** New South Wales⁹, Australia, and Nova Scotia¹⁰, Canada have already included juice cartons as well as liquid paperboard into their own system and to ensure that our DRS is truly world leading these materials should also be included.

Crucially there should be scope within the DRS system to take in new and different materials in the future which are currently difficult to recycle, such as crisps packets and sachets.

PRINCIPLES

The central goal of the UK's DRS should be to achieve the best environmental outcome. To do this it should be built around the principles of reduction, reuse and refill and not focussed purely on recycling.

The DRS should be designed to allow drink containers to be refilled and resold without the need for the energy costly process of recycling each time they pass through the system. Designing the scheme in this way would see the adoption of a truly circular economy approach in line with the principles of the waste hierarchy. This approach has been proven in countries such as Germany where the DRS system

⁸ Hogg, D., Elliott, T., Gibbs, A., Jones, P., and Hann, S. (2015) *A Scottish Deposit Refund System*, July 2015

⁹ <https://www.epa.nsw.gov.au/your-environment/recycling-and-reuse/return-and-earn>

¹⁰ <https://divertns.ca/recycling/what-goes-where/beverage-container-recycling>



has been designed to accept glass bottles that will be reused multiple times before being recycled.

This approach would achieve the dual goals of reducing plastic pollution and carbon emissions as well as stimulating associated localised supply chains, jobs and infrastructure.

CONSISTENCY AND CHARGES

In order for a DRS to be effective it is essential that it is simple and user friendly. The level of deposit and the design of the scheme should therefore be consistent across all nations of the United Kingdom and across products so as not to cause confusion with consumers and undermine its use.

In August 2018, the Scottish *Have You Got the Bottle?* campaign gathered responses from the public on what the deposit should be for their DRS. Of the respondents who specified an amount 66% chose a deposit level of 20p or higher. Scotland have since passed legislation that will introduce a DRS system from 1st July 2022 with a flat rate charge on all items of 20p.¹¹ This rate should therefore be set across the UK.

Applying this flat rate as oppose to alternating deposit levels ensures against market distortions between products based on packaging. A flat rate would also ensure there was not an incentive to switch to buying multi packs which often involve greater use of single use plastic.

We are also starting to see countries where deposit levels were originally set at a variable rate, switch to a flat fee. In Estonia for example, they have switched from an alternating rate to a flat rate for all size containers for simplicity and to reflect the same incentive not to litter. Sales remain strong despite higher deposit levels.

Finally, the level of deposit should be easily reconsidered in the light of inflation or missed return rate targets.

¹¹ <https://depositreturnscheme.zerowastescotland.org.uk/>