

COMMUNITY RESOURCES NETWORK SCOTLAND (CRNS)

Deposit and Return Systems - Position paper

June 2015

Ask anyone over a certain age, and they will claim fond childhood memories of collecting lemonade bottles, taking them to the local shop and getting money back in exchange. We remember benefiting from a cash windfall to which we could make a legitimate claim and spend how we liked, mostly on sweets which were conveniently sold from the same shop.

Although this whiff of nostalgia hangs about the Scottish Government's current investigation into the feasibility and potential of a modern deposit and return system (DRS) for Scotland, the proposition is very different from the 'olden days'.

The introduction of a DRS raises three questions for CRNS: is a Scottish deposit return system the next 'big thing' for Scotland? And if so will it deliver to expectations? And what opportunities are there for the community resource management sector?

Eunomia Research and Consulting was commissioned by Zero Waste Scotland to research the feasibility of a Scottish deposit return system and the report¹ describes a system which will capture a range of beverage containers: metal cans, beverage cartons, and glass and plastic bottles. The consumer will pay a deposit, between 10p and 20p, on each item purchased and redeemable on the return of the container. Deposits can be redeemed directly from the retailer, or through a reverse vending machine which accepts a variety of containers and returns the deposit to the customer. The objectives are to reduce littering and improve the quality of collected items for recycling by focusing on a single category of waste.

Hidden within this simple explanation is a host of constraints and opportunities.

To qualify for deposit return, either over the counter or via a reverse vending machine, drinks containers need a recognition device, usually a barcode. This presents production, packaging and financial challenges to manufacturers and packaging companies, along with threats of cross-border imports of beverage containers into Scotland to benefit from the deposit pay-out. Also, given the existing and almost universal household collection system, detractors have doubts that a DRS will significantly contribute to increased recycling rates and that it will simply provide another disposal solution for those who already recycle responsibly.² Also will the incentive of redeeming a deposit be enough to prevent the anti-social impulse to litter?

However, consumer behaviours are changing – and DRS may be one way of capturing some of the by-products of those behaviours before they become litter. For example single-serve aluminium cans, convenient for drinking on-the-go, have replaced large glass bottles; think how traditional brands such as Barr's Irn Bru have been rejuvenated by the introduction of single-serve packaging. An efficient DRS may be a way of aligning the collection system more closely to consumption habits and so capture containers from drinks consumed away from home which are unlikely to make their way back to the household collection and therefore vulnerable to becoming litter. As they are further developed and refined to process a wider variety of disposables, deposit return systems may provide a way to future proof against new forms of consumption.

When consumers can see obvious benefits, they are more likely to change their behaviours. Since October 2014 Scottish shoppers have paid 5p every time they use a single-use carrier bag. Despite the reservations of the retail sector, the Scottish public easily saw the logic in reducing carrier bag usage,

and an 80% reduction in their circulation is the result. And, as in the case of the carrier bag charge, in some countries the DRS gives an option to donate the deposit to charity. A Scottish DRS system, with its obvious benefit of rewarding responsible disposal of beverage containers, may also provide the stimulus for behaviour change. It also makes perfect sense that it is only those who decide to forfeit the deposit by not returning their drinks containers who contribute towards the cost of the system; it is the polluter pays principle at its best.

A DRS needs to take account of the growth of internet shopping which has changed the retail sector more in the last fifteen years than it has over the past one hundred. This move to on-line shopping and home delivery might be made to work in synergy with a DRS. The retailers which deliver the household shop so conveniently to your door, can also uplift the empties, and credit your account with the deposit.

There is also some psychological value to a DRS. Redeeming a deposit confirms the intrinsic value of the container more powerfully than simple putting a container in a bin, even if it is a recycling bin. Consumers get an immediate, and possibly primitive, sense of satisfaction from depositing their empties and redeeming their deposit.

So what other countries run a DRS? Those you would expect such as Germany and the Scandinavian countries. Currently eleven American states have a 'bottle bill'³ or container deposit law which requires a minimum refundable deposit on beverage containers. In 2013 a system was trialed for three months in the Catalonian town of Cadaqués⁴ where 9 out of 10 containers which carried a deposit were returned. Set this against the Spanish norm of 29 million drink containers a day being 'lost' to recycling. Supporters of a DRS turn to these countries as examples we can emulate; detractors stress that Scotland is not Sweden, and in addition, has a tradition of kerbside collection and an established recycling industry, both of which can be refined to deliver more and better quality recyclates.

In any endeavour there is always the possibility of unintended consequences. A badly run DRS can generate an accumulation of unredeemed deposits and create a suspicion that the primary function of the system is to generate income. However, in the States surpluses from unredeemed deposits fund environmental programmes or finance the deposit system³. Alternatively, will a Scottish DRS serve the community recyclers badly by removing the high value recyclates from their waste collections, reducing the income available for reinvestment in social benefit or will it provide an opportunity to boost income through those same collections where the value of material is augmented by the value of the deposit?

Community Resources Network Scotland (CRNS) represents the community resource management sector in Scotland and canvassing those members with significant recycling operations yielded the following feedback:

'Broadly in favour – anything which encourages more and better collection and recycling is a good thing, but keen that CRNS members are included and benefit.'

'Concern, depending on how the system is set up, that CRNS recycling members may be adversely affected.'

'It's an interesting concept and I can see no negative impacts on the work that we carry out at present, on the other hand as an organisation we always keen to look at ways to diversify and expand our involvement in increasing recyclate capture rates.'

'The system ticks both boxes, quality and quantity, mainly from households, and if it happens that's great progress. I've seen the system in action in Sweden, it's normalised behaviour and there is no litter, let's have a piece of that action in Scotland.'

'Plastic bottles, and cans are difficult to collect and recycle for anyone – more air than value. There is a perception that bottles and cans continue to be lost from the system, ending up as dry mixed recylates (DMR), going towards energy from waste (EFW), or that contamination means that they are diverted to landfill. Mixed plastics are a perennial problem to process, but if bottles are also thrown into the mix, then they are also lost with the mixed plastic.'

'Glass is similarly difficult to collect as it smashes and contaminates everything else.'

'Keeping beverage packaging separate through a DRS will retain their quality.'

While there is broad support from the CRNS membership for a DRS there is also an expectation that the community resource management sector will be involved and that communities will benefit from its introduction, and not only from the income raised by donated deposits. CRNS has identified two possible opportunities for our members:

- 1. The Eunomia report recommends that in rural settings there are centralised systems for the return and redemption of deposits. CRNS proposes that DRS centres, in both rural and urban settings, be a vehicle for generating employment and income in local communities. That CRNS members, embedded as they are in community resource management, will be involved in servicing these centres including the sorting, counting, recycling, logistics and transport associated with DRS.**
- 2. That surpluses from unredeemed deposits be invested in community resource management as per the American model³ where Maine, Michigan, and Massachusetts use uncollected deposits to fund environmental programmes, a truly virtuous circle.**

1. <http://www.zerowastescotland.org.uk/DepositReturnSystems>

2. http://www.prgs.org.uk/write/MediaUploads/PRGS_High-level_position_paper_Final_Sep14.pdf

3. <http://www.bottlebill.org/about/whatis.htm>

4. <http://www.retorna.org>

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