

Pwyllgor Deddfwriaeth Rhif 4

Nid yw'r dudalen ar gael yn y Gymraeg

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Proposed Waste (Wales) Measure

Consultation - Proposed Waste (Wales) Measure

The British Retail Consortium (BRC) is the lead trade association for the UK retail sector and the authoritative voice of the industry to policy makers and the media. We represent the whole range of retailers, from the large multiples and department stores through to independents, selling a wide selection of products through centre of town, out of town, rural and virtual stores.

This document provides the UK retail response to the questions posed by the consultation document 'Proposed Waste (Wales) Measure'.

BRC is in broad agreement with the Welsh Assembly Government regarding the need to reduce our reliance on landfill and increase recycling rates. Wales has established ambitious recycling targets, which are to be commended. However, BRC is strongly opposed to the introduction of a charge on single use carrier bags.

Not only is the introduction of a charge on single-use carrier bags a disproportionate approach, it is a misguided one. If it is the intention of the Welsh Assembly Government to reduce Wales' ecological and carbon footprints, this is not the appropriate response. A forthcoming Environment Agency study, which compares the environmental impact of various bag types, will demonstrate that the environmental impact a single use plastic bag is 4 times lower than that of a paper bag and 173 times lower than that of a cotton bag, assuming that the plastic bag is reused as a bin-liner. If this is the case a consumer would have to reuse their cotton bag at least once a week for three years to achieve a similar environmental impact, more so to achieve a reduction. Victimising the single-use carrier bag will do nothing to reduce Wales' ecological and carbon footprints. In all likelihood they will increase following the introduction of such measures.

The important issue with carrier bags is to ensure reuse, regardless of bag type. BRC does not believe that introducing a charge is the most effective means to engage consumers to reuse their bags, preferring instead to pursue voluntary means. Working together, supermarkets and their customers delivered a 49% reduction in the number of single-use carrier bags handed

out by BRC member supermarkets in Wales between May 2006 and May 2009. The reduction was achieved by retailers using specific schemes they

felt worked best for their customers. Retailers helped shift consumer behaviour through an informative approach, taking customers with them.

BRC submitted a detailed response to the consultation on proposals to charge on single-use carrier bags which contains greater details on our objections to the introduction of such a charge.

On wider waste issues, retailers play an important role in educating consumers. They are undertaking a plethora of activity to reduce household waste, notably packaging and food waste, and increase municipal waste recycling. For example,

The British Retail Consortium launched the On-Pack Recycling Label in March 2009, with support from WRAP. Over 60 grocery and non-grocery brands and retailers have signed up to use the label and it is already being used on over 50,000 product lines. The label offers consumers clear, concise and simple advice regarding responsible disposal of packaging. It increases the recovery of materials that can be recycled and decreases contamination by keeping non-recycled material out of the recycling stream.

Retailers have already delivered on the Courtauld target to stabilise grocery packaging by 2008 and are on track to deliver an absolute reduction later this year, despite higher than expected growth in the grocery market. Leading grocery retailers recently signed up to the revised Courtauld Commitment, which aims to reduce the carbon impacts of packaging, reduce both household food waste and food waste in the supply chain and devise a mechanism to consider the impact of packaging and product together.

Grocery retailers are also actively supporting WRAP's Love Food Hate Waste campaign. Supermarkets now provide more information on food storage and recipes to use up the food they have bought, they have increased the variety of products sold, such as ranges of different portion sizes and the introduction of resealable packaging. They have also altered the way food is sold so promotions include "half price", not just "two for one", as well as the ability to mix the perishable food that is on offer so consumers don't have to buy more of one product to take advantage of a promotion.

Supermarkets have worked hard to 'optimise' packaging, by making it perform as effectively as possible, whilst using minimal resources. This minimises household packaging waste and household food waste.

Consultation Questions

1. Is there a need for a proposed Measure to deliver the stated objectives of making provision to reduce the amount of waste and litter in Wales and contributing to the development of more effective waste management arrangements in Wales?

Elements of this Measure will contribute to achieving Welsh targets on waste and are welcomed. The ongoing increases in landfill tax will also stimulate development of alternative waste processing. The municipal waste recycling targets and introduction of landfill bans outlined in this Measure have the potential to support these reductions.

Retailers favour a voluntary approach regarding the distribution of any net proceeds of a charge on single use carrier bags. Requiring retailers to report transparently will ensure that the overwhelming majority contribute to the intended causes: retailers do not intend to keep money raised via the levy. Until the draft regulations have been put forward it is not clear how retailers will respond to the introduction of the levy or how much money will be raised.

2. How will the proposed Measure change what organisations do currently and what impact will any such changes have?

Large retailers have implemented highly effective waste management strategies. Results published under the BRC's climate change initiative A Better Retailing Climate clearly demonstrate laudable progress to date. Signatories to the agreement had originally set themselves a target to divert waste from landfill so that less than 50% of retailers' own waste is landfilled by 2013, by minimising waste from operations and managing sustainably any unavoidable waste. In 2009 signatories to A Better Retailing Climate had achieved a recycling rate of 68%. More ambitious targets have been established, to send less than 25% of retail waste to landfill by 2013.

Despite the impressive progress made by larger retailers, small and independent retailers still face many issues, such as poor access to cost effective recycling facilities. The Welsh Assembly Government must ensure

that the waste management infrastructure is developed to meet the needs of businesses of all shapes and sizes. The BRC is working with the Welsh Assembly Government on the Retail Sector Plan, which is considering how to

support the development of waste management practices and infrastructure with this in mind.

The measure must be developed within the context of wider policy levers: Not only must there be incentives to avoid undesirable behaviours such as

sending waste to landfill, there must also be mechanisms for businesses and individuals to easily and cost effectively adopt responsible behaviour.

3. Are the sections of the proposed Measure appropriate in terms of achieving the stated objectives?

In considering this question, consultees may wish to consider the nature of the provisions in the proposed Measure that:

(a) require retailers to apply the net proceeds of revenues raised from the sale of single use carrier bags to specific environmental purposes or bodies (sections 1-2)

Retailers are working with the Minister for Environment, Sustainability and Housing regarding the introduction of a charge for single-use carrier bags. Within those discussions, both the Minister and retailers are keen to pursue a voluntary approach regarding the distribution of the net proceeds.

Retailers should be allowed to distribute funds to environmental projects of their choosing, in line with their wider Corporate Responsibility agenda, and reporting publicly to their customers. Retailers already make significant donations to charitable causes. A number of retailers that already charge for bags donate the money raised to support charitable causes, publicly reporting those donations. Guidance encouraging responsible distribution of funds is a more appropriate and proportionate solution and would enable

retailers, large and small, to continue existing relations with local and national charities.

We believe that any funds will be diverted for the purposes outlined in the Measure under a voluntary approach. There is therefore no need for the Measure to specify the purposes to which the funds should be applied.

The Measure would introduce specific identification of "specified purposes" for the net proceeds. This approach runs the risk of appearing to favour certain organisations within Wales and could potentially undermine the credibility of the system. Furthermore it denies other innovative projects that do not appear on the list - a notable absence from the list are activities that mitigate green house gas emissions. We do not believe it is the responsibility of the Welsh Assembly Government to hand pick specific benefactors from the introduction of a levy. We favour an approach that encourages retailers to distribute the funds to a broad range of environmental programmes.

The introduction of a third party body to administer expenditure was initially proposed. A third party body will be expensive to implement, carry reputational risks and prevent retailers becoming fully engaged. The introduction of additional cost would divert much of the money raised away from environmental projects and would therefore be a highly inappropriate approach.

There is a need to achieve a situation where customers believe that revenues are going to a good use and retailers feel able to direct the use of the funds. Retailers are well placed to understand what sort of organisations their customers want to see their money donated to. Smaller and local retailers may want to donate to local programmes, whereas national retailers may want to distribute funds in-line with their wider corporate responsibility agenda. A flexible approach leaving autonomy at the retailer level is the most appropriate.

(b) establish waste targets (sections 3-8), particularly in relation to:

recycling, preparation for re-use and composting targets (section 3);

regulations about penalties (section 4);

monitoring and auditing compliance with targets (section 5);

regulations about penalties (section 6);

consulting the Environment Agency, each local authority and appropriate Welsh Ministers (Section 7);

guidance administered by Welsh Ministers (section 8)

Retailers are committed to reducing the environmental impacts of their owned operations, minimising waste and assisting customers to reduce their waste and recycle more. One of the large grocery retailers has already achieved zero waste to landfill and a number of others are fast approaching this attainment. Clearly, reducing municipal waste to landfill remains more challenging.

BRC welcomes policy levers to assist with the reduction of household waste to landfill. Targets are an important part of the process, but will not work in isolation. The Welsh Assembly Government must also ensure that sufficient waste management facilities develop in and around Wales to ensure that alternatives to landfill are viable and cost effective. Fiscal incentives are a particularly important requirement here.

The BRC supports plans to provide funding for Anaerobic Digestion facilities. As well as securing 12% of the municipal waste stream as source separated food in 2012/13, there is a significant opportunity to recover food waste

from grocery retailers and food services. Over 70% of waste from grocery stores is food. Where this is currently sent to landfill, it is because of insufficient availability of alternatives. The BRC also supports Welsh plans to fund two large scale plastics reprocessing facilities.

(c) make regulations to prohibit the deposit of waste in a landfill (sections 9-11), including:

civil sanctions (section 10); and

consultation (section 11)

As above, BRC welcomes policy levers to assist with the reduction of household waste to landfill. Landfill bans are another potential mechanism to maximise landfill avoidance. However, as with the setting of targets, it is important to ensure that sufficient waste management facilities develop in and around Wales so that alternatives to landfill are viable and cost effective.

The landfill tax escalator has been highly effective in stimulating markets for alternatives to landfill. Continuation of this approach would give the market certainty to develop the most appropriate and cost effective solutions rather than focus on finding potentially costly solutions based on individual materials. Reprocessors would be provided with the capability to more accurately forecast gate fees and therefore invest appropriately.

Landfill bans need to consider cross border relationships on waste. It may be that a local authority in Wales has a relationship with a waste management company using landfill sites in England, or indeed the opposite may be true. This could lead to a number of potential consequences

an increase in waste exported from Wales to England to be sent to landfill

impacts on local authorities in England using Welsh landfill sites. Contracts between local authorities and waste management companies are often made over long time periods of up to 25 years.

The Welsh Assembly Government will need consider how any landfill bans will be policed. It would not be appropriate for businesses and households to face fines where alternatives to landfill are not available or disproportionately expensive. Continuing to use the landfill tax escalator as a driver would ensure that alternatives are more cost effective than landfill and will therefore drive greater use of those alternatives.

(d) establish plans for the management and disposal of site waste and penalties in relation to failure to comply with these provisions (sections 12-13)

WRAP has set a target to reduce construction waste sent to landfill by 50% by 2012. A number of retailers have signed up to this commitment. One of our members is currently achieving an 84% recycling rate on construction waste, having worked with construction suppliers through the BRE SmartWaste systems. Higher rates are easier to achieve on new-builds where materials are 'clean' and easier to segregate. However, on refurbishments of older buildings high recycling rates are difficult to achieve. Any additional requirements will need to take these challenges into account.

(e) make general provision (sections 15-20), particularly in relation to:

interpretation (section 15)

orders and regulation: procedures (section 18)

no comment

4. What are the potential barriers to implementing the provisions of the proposed Measure (if any) and does the proposed Measure take account of them?

no comment

5. What are the financial implications of the proposed Measure for organisations, if any? In answering this question you may wish to consider Part 2 of the Explanatory Memorandum (the Regulatory Impact Assessment), which estimates the costs and benefits of implementation of the proposed Measure.

no comment

6. Are there any other comments you wish to make about specific sections of the proposed Measure?

In order to streamline waste management, greater consistency is required between municipal and commercial & industrial waste. Accessible facilities are required for businesses, with a particular need for improved access for small businesses, to raise recovery of commercial and industrial waste.

With respect to municipal waste collection systems, BRC supports proposals to standardise Local Authority collection systems, so that all households in Wales will be offered collection systems for the same materials. This will

facilitate clear and consistent customer communication, which will improve recycling rates.

The voluntary approach is a highly effective way to achieve change. It allows flexibility in approach and encourages innovation. Retailers are free to engage with their customers in ways that they see are appropriate, which increases their effectiveness. Recent achievements under the Courtauld Commitment (halting the growth of packaging) and carrier bags (halving the number of bags distributed) demonstrates the effectiveness of such an approach. To continue to drive innovation and avoid placing undue burdens on business, the Welsh Assembly Government should adopt voluntary approaches wherever possible and practical.