

Cynulliad Cenedlaethol Cymru Y Pwyllgor
Newid Hinsawdd, Amgylchedd a Materion
Gwledig
Memorandwm Cydsyniad Deddfwriaethol
(MCD) mewn perthynas â Bil Amgylchedd
y DU
NHAMG (5) EB05
Ymateb gan Cymdeithas Gwasanaethau
Amgylcheddol Cymru

National Assembly for Wales Climate
Change, Environment and Rural Affairs
Committee

Legislative Consent Memorandum (LCM) in
relation to the UK Environment Bill
CCERA(5) EB05
Evidence from Wales Environmental
Services Association

Written evidence from the Welsh Environmental Services Association (WESA)

1. The Welsh Environmental Services Association (WESA) is the trade association which represents the UK's waste management and secondary resources industry.
2. Our member companies are helping the UK move towards a more circular economy by collecting, sorting, and treating waste to recover materials and energy, while protecting the environment and human health. An industry with an annual turnover of £11 billion, our Members have helped England's recycling rate quintuple in the last decade and provide 12% of the UK's renewable electricity.
3. WESA welcomes the opportunity to respond to the Climate Change, Environment and Rural Affairs Committee's inquiry on the UK Environment Bill.

Environmental governance (Part 1)

4. The Environment Bill should further guarantee that the Office for Environmental Protection (OEP) has the powers, resources and independence from Government to effectively fulfil its role.
5. The Bill does not guarantee that the OEP will be properly funded and have the staff resources to carry out its tasks.
6. Chapter 2 of the Bill gives the OEP quite wide-ranging powers. It is also positive that the OEP has the ability to make review applications if public authorities are considered to have failed to comply with environmental law. However, will that allow the OEP to, for example, suggest fines for the Government if it breaches its air pollution limits or fails to meet its recycling targets? If not, then the powers are not similar to that of the EU Commission, which would go against the Government's aim of ensuring that environmental protection is not undermined following the UK's EU exit.
7. Moreover, the Bill puts the OEP's independence at risk by enabling significant Government's influence over the OEP's budget and appointment of staff. Nonexecutive members of the new OEP are appointed and remunerated by the Secretary of State, and the OEP will be funded according to what the Secretary of State deems reasonably sufficient to carry out its tasks. These measures undermine the OEP's independence and would risk hindering its ability to scrutinize the Government. For increased independence, it should be funded and appointed by the Parliament.
8. The OEP also needs to ensure it can keep separate its functions to advise and scrutinize the Government to avoid any conflict of interest (i.e. scrutinizing its own proposals). This is particularly important for the waste sector as there is a strong need for an independent

body to hold Government to account for meeting waste-related targets.

Waste and Resource Efficiency (Part 3)

Producer responsibility obligations (Schedule 4)

9. We believe that EPR should form part of a coherent system, alongside other measures, to improve recycling. Any system that is not coherent will likely result in unforeseen consequences and fall short of the desired outcome.
10. We agree that businesses should bear the full net cost of managing the packaging they place on the market at end of life, in line with the polluter pays principle. Producers have the greatest influence over the design of packaging and this will incentivise the use of more recyclable packaging.
11. Clear labelling (marking whether a material is recyclable or not or collected via alternative routes) will be essential if we want the consumer to be able to do the right thing.
12. The PRN system was successful in its narrowly defined objective of meeting higher packaging recycling targets at least cost to producers. To meet the Government's future objectives will require a more holistic approach involving more actors along the value chain.
13. One of the downsides of the PRN system was the volatility of the revenue streams. A more stabilised and certain stream of revenues would be key to unlocking future investment in domestic sorting and reprocessing infrastructure.
14. The proposals for EPR reform - combined with the parallel changes proposed for kerbside collections, the introduction of a deposit scheme, and the plastics packaging tax - increase the risk of system failure. WESA is concerned that the multiple concurrent radical changes have the potential to distort the market and lead to unintended negative consequences. Under these circumstances it makes sense to retain the parts of the current system which work well and to minimise disruptions wherever possible.
15. Additionally, there is a real risk that the UK fails to meet future municipal recycling targets which are extremely ambitious (particularly when combined with the new calculation point). An important consideration in the achievability of the targets is the recyclability of the current municipal waste stream composition. To make the targets achievable will require an increase in the recyclability of packaging. This needs to be incentivised through modulated fees under a new EPR system. As much packaging material as possible needs to be captured through modulated EPR fees (rather than other policy mechanisms, such as a DRS).
16. The future EPR system is structured/whichever combination of the consultation models is adopted, it must meet the following principles:
 - Cost control: A competitive element should be retained to restrain cost inflation over time. EPR payments need to be determined by practitioners, either benchmarked to

the market or through competition.

- Quality control: The scheme should adopt payments by result. EPR payments should be adjusted to reflect actual recycling collected, i.e. payments should be discounted to reflect actual contamination levels. This can be achieved by having an evidence point at the sorting stage.
- Non-discrimination between household and household-like material: The new system must treat household and household-like material identically to prevent market distortions and to remove the risk of fraud.
- Single point of compliance with the retailer: Making the retailer the point of compliance would ensure that online commerce is also captured by the scheme.
- 'Investment grade': There needs to be stable and certain revenue streams to encourage investment in UK infrastructure.

Deposit schemes (Schedule 8)

17. WESA supports the introduction of a DRS which focuses on materials which are not widely captured in kerbside collections, or are difficult to manage in the waste stream.
18. Coffee cups would be a strong candidate for inclusion in a DRS, as would domestic batteries which are a fire risk and can lead to the leakage of heavy metals if not managed properly.
19. A DRS for other items should be limited to items which are either commonly littered or consumed on the go.

Charges for single use plastic items (Schedule 9)

20. WESA is concerned about the unintended consequences that could result from imposing charges on single-use plastic items only. These fees could incentivise producers to replace plastic with other environmentally harmful materials for single-use items, which would result in worse environmental outcomes and fail to address the need for waste minimisation. We believe the scope for charges for single use products must be extended to other materials. A clear definition of "single use" should also be established, in line with the definition used in the EU Single-Use Plastic Directive.

Electronic Waste tracking

21. WESA supports proposals to implement an electronic waste tracking system across the UK. An electronic system would help in the fight against waste crime, reduce administrative burden, as well as providing valuable data to measure waste flows. It is important that any system that is developed can interface easily with existing electronic systems operated by WESA members to avoid duplication of efforts/redundant IT systems.

Transfrontier shipments of waste

22. WESA welcomes the introduction of rules concerning the export of mixed plastics to non-OECD countries. This must be accompanied by measures that will unlock investment in domestic markets and demand for recycled product.