

Packaging Questions Unwrapped

Conference reports Ireland spending €38 million landfilling nearly 800 million plastic bottles worth nearly €5 million per annum

- Ireland spending €38 million landfilling nearly 800 million plastic bottles
- 400% increase in rate of plastic bottle recycling could be achieved by 2008
- Warning that packaging levies could add 10% to current rate of inflation
- Over 45% of all used packaging in Ireland is now recovered/recycled
- Ireland on course to meet 2005 EU packaging recovery/recycling targets
- Lack of integrated collection infrastructure holding back plastics recycling
- €5 million in uncollected revenue from non-compliant businesses

(24.06.04) "Introducing additional individual packaging levies would directly and indirectly inflate the price of goods, adding 10% to the current Consumer Price Index" according to a major economic report detailed at Repak's National Members' Conference today. Proper enforcement of current legislation is key to meeting Ireland's future EU packaging recycling targets with Repak estimating that there is €5 million in uncollected revenue from a large portion of Irish business who are non-compliant with Waste Management (Packaging) Regulations 2003. The economic report commissioned by Repak was showcased by Garrett Fennell, GFC consulting, alongside other keynote speakers such as Otto Linher, from the EU Commission, Andrew Simmons, CEO Recoup and Ann Murray, H.J. Heinz at this year's Repak Conference.

Andrew Simmons, CEO, Recoup presented the findings of a report into the opportunities for the recycling of plastic bottles in Ireland which revealed that nearly 209 million bottles could be recycled by 2008 representing a circa 400% increase in the current rate of recycling. This requires a proper focus on integrated collection/kerbside system targeting plastic bottles along with other materials. "Misperceptions in relation to the lack of markets and perceived cost of collection have to date been holding back the collection and recycling of plastic bottles. Plastic is a valuable material, Ireland currently has the capability to recycle in excess of three times the amount of plastic beverage bottles (PET bottles) placed on the Irish market through the presence of one of Europe's biggest PET recyclers Wellman International in County Meath. Currently Ireland is spending 38 million euro on landfilling the 35,000 tonnes or nearly 800 million bottles that are currently landfilled in Ireland. This material could have a positive market value of up to €5 million euro and in addition these materials do not compact well, taking up 10% of the space of collection vehicles. As these materials are already been collected what we need is a focus on integrating them in the current recycling collections."

Speaking at the Conference, which has moved from its normal date during Repak National Recycling Week in October, Andrew Hetherington, CEO, Repak said, "Irish people are recycling more and more and figures show that Ireland is on course to meet our 2005 EU packaging recovery/recycling targets of 50% with over 45% of all used packaging recycled last year. However, with Repak members only accounting for 65% of all packaging placed on the market, non compliant companies are putting future targets into jeopardy. The fact that Repak is now having to pursue more and more tonnes from the domestic bin, which is more expensive, means we will have to have to increase fees by 15%-20% on average to our members in 2005. This is not helped by the amount of non complaint companies ignoring the regulation which is unacceptable as Repak members are meeting Ireland's national targets."

Revealing more on the indirect inflationary effect of packaging levies, Garrett Fennell, said "Levying individual packaging items will increase the cost of goods in Ireland and reduce the competitiveness of Irish businesses. Non-compliers need to face stiffer penalties and we need to enforce the current regulatory system under which Repak operates to ensure all companies are paying their way."

According to Otto Linher, Directorate General for the Environment, European Commission, Irish landfill rates at 91% are above the EU average of 57% (Denmark 12%) and contrasts with the EU incineration rate of 22% (Ireland 0%, Denmark 58%). He also said that Irish recycling rates of municipal waste are below the EU average of 23% at 9%. Mr Linher also went on to point out that in 2001 Ireland was top of the European league in terms of packaging waste produced per head of capita and bottom of the league in recycling, although much improvement has been made since then. He also discussed the movement from the current recycling based product and waste stream specific targets to material specific recycling and recovery target which could have difficult implications for packaging recycling schemes.

Ann Murray, from H.J. Heinz, who won the Best Member award at last year's Repak Awards, showed how best practice initiatives such as redesigning and reengineering its packaging types or setting up systems for recording and maintaining their packaging data could yield tangible benefits for companies. Heinz recorded a 25% reduction in the weight of their finished goods, preventing 20 tonnes of packaging reaching the market, and by reducing the thickness on their printed cartons it prevented 85 tonnes. Its recycling strategies helped divert over 573 tonnes of cardboard, plastic and metal from landfill in 2002.

Full list of other speakers from today's conference is below, which was moved from its normal date during Repak National Recycling Week in October.

About Repak

Repak is a not-for-profit members based packaging compliance scheme, currently Ireland's only producer responsibility scheme, which was established under a voluntary agreement between industry and the Department of the Environment and Local Government in 1997.

It was created as industry's response to the obligations placed on Ireland by the EU directive on Packaging Waste (94/62/EC) and is the only government approved compliance scheme under the Waste Management (Packaging) Regulations 1997. Repak succeeded in reaching and exceeding Ireland's National Recycling Target of 25% of packaging waste in 2001, as set by the EU directive.

The organisation also performs an administrative role for the recycling of used farm film (silage cover) through the IFFPG.

Repak also runs a variety of educational initiatives such as Repak National Recycling Week in October, Repak Green Christmas, Repak National Conference. It is also a sponsor of An Taisce's National Spring Clean campaign, the Tidy Towns Competition and the schools based Repak Cash for Cans programme.

Last year Repak launched a trial plastic and beverage carton recycling scheme as part of a strategy to target traditionally more difficult material types. The beverage carton scheme has now been extended to all households in Dublin with a Kerbside/Green Wheelie Bin collection scheme.

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Repak National Members' Conference
Take a Fresh Look at How Recycling Affects your Business
Agenda

9.00 – 9.30

Coffee and Registration

9.30 – 9.35

Introduction

9.35 – 9.45

Adrian Goodrich, Managing Director, Gallaher (Dublin) Ltd., Chairman, Repak
Welcome Address

9.45 – 10.05

Martin Cullen T.D., Minister for the Environment, Heritage and Local Government
Key Note Address

10.05 – 10.35

Otto Linher, EU Commission, DG Environment (Sustainable Production and
Consumption)
Packaging Policy: A Future EU Perspective

10.35 – 10.55

Frank Coombes, Director of Corporate Finance, Deloitte
Waste Management: Industry Survey

10.55- 11.10

Questions and Answers

11.10 – 11.25

Coffee Break

11.25 – 11.45

Andrew Hetherington, CEO, Repak

2004 Results to date and 2005 Fee Structure

11.45 – 12.05

Garrett Fennell, GFC Consulting

The Economics of Taxes & Levies on Packaging

12.05 – 12.25

Andrew Simmons, CEO, Recoup

The Opportunities for Rigid Plastic Bottle Recycling in Ireland

12.25 – 12.55

Ann Murray, Senior Packaging Development Manager, H.J. Heinz

Waste Management and Reduction in Practice

12.55 – 1.00

Adrian Goodrich, Managing Director, Gallaher (Dublin) Ltd., Chairman, Repak

Closing Remarks

1.00 – 1.15

Lunch