

Irish industry, through Repak, has successfully met all EU targets for packaging recycling. These have grown from the somewhat modest target of 25% in 2001 to the higher figures of 50% in 2005 and 60% in 2008. This happened against a background where initially recycling activity was low and the supportive infrastructure underdeveloped to a stage where recycling is now an everyday part of commercial and domestic life.

Now, a new and much tougher challenge is being presented.

Under the Renewed Programme for Government agreed between Fianna Fáil and the Green Party, there is a commitment to ***“use producer responsibility to reduce levels of the packaging waste that is generated and increase the target for recycling of such waste to 75% by 2013”***.

It will take considerable effort – and resources - to achieve that target by 2013. As with any business activity, each incremental level of growth requires the commitment of additional resources. This is particularly the case in packaging recycling. Early success was generated from “low lying fruit” i.e. more readily recyclable commercial waste, whereas later growth has had to be found from the costlier household sector. Current projections show that the cost of recycling a tonne of household packaging waste outweighs the cost of commercial packaging waste by a factor of approx seven to one. The target area for further incremental growth will continue to be the domestic sector, with higher average costs per tonne of materials.

Recycling costs money. A recent analysis of the growth of packaging recycling in Ireland over the past decade, carried out by Indecon Economic Consultants, showed a statistically significant correlation between recycling rates and growth in Repak resources. The study demonstrated that the growth in Repak membership income was commensurate with the growth of overall packaging recovery.

Repak will be engaging with the Department of the Environment and the various stakeholders to see how the new targets can be delivered. It is clear however, from the Indecon study, that if packaging recycling rates are to grow from current levels to 75% by 2013, a significant increase in resources will be required. Under the producer responsibility model, Repak will be targeted as the main source for this additional resource. This would mean significant increases in fees between 2010 and 2013 to meet increased targets.

In the current economic climate, this would place a significant cost burden on Repak member companies, particularly larger members who contribute the greatest proportion of funding.

The burden could, of course, be spread among Irish business if the very large number of non-compliers were brought into the net. Repak has continued to press both Minister John Gormley and his Department to tackle the problem of widespread evasion through increased enforcement of the Packaging Regulations. Speaking at the Repak Member's conference last October, the Minister made a strong and public commitment to redress this inequity, and to strengthen enforcement during 2010. To-date, however, there is little evidence of any widespread progress in this area.

Repak will continue to keep all member companies fully advised of developments as these negotiations progress.

Dr Andrew Hetherington

Chief Executive