



**NATIONAL ASSEMBLY FOR WALES
ENVIRONMENT & SUSTAINABILITY COMMITTEE
INQUIRY INTO RECYCLING IN WALES
JUNE 2014**

INTRODUCING VIRIDOR

Part of the FTSE 250 Pennon Group, Viridor puts waste into action, transforming it into high quality recyclables, raw materials and energy.

Viridor supports 100 UK local authorities and over 40,000 customers through a network of 327 facilities. Viridor is currently investing over £1bn in 'next generation' infrastructure to translate 'zero waste' policy into practice.

The company provides essential recycling and waste management services in Wales and is currently investing £223 million in the Trident Park energy from waste facility in Cardiff. The project has created 270 jobs. It will help Welsh local authorities and businesses improve their resource efficiency and, with intended substantial combined heat and power output, will contribute to energy security in the Capital.

Each year Viridor transforms over two million tonnes of materials into high quality recyclate, and yet more into 130 megawatts of renewable energy. In total it safely manages around seven million tonnes of recyclables and waste materials for customers from all sectors across the UK.

Employing over 3,000 people, Viridor strives to be an environmentally, socially and economically sustainable business. All sites and services are operated under the company's business management system incorporating the highest environmental, quality and health and safety standards.

For more information, visit www.viridor.co.uk

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RECYCLING IN WALES

1. As the UK's largest recycler, Viridor is fully committed to supporting and implementing the waste hierarchy in Wales.
2. In addition to the development of a network offering advanced recycling technologies including the largest MRF capacity in the UK, Viridor is investing £1.5bn in next generation energy from waste infrastructure.
3. The combination of resource management and recovery infrastructure is a key enabler of translating the 1999 EU Landfill Directive from policy into practice.
4. Viridor notes the recent Welsh Government consultation on proposals for an Environment Bill and would wish to offer the following comments in relation to recycling and renewable energy from residual waste.
5. Whilst the principle of asking for recyclables to be presented separately by individuals and businesses is sound, it may not be appropriate for an increased range of materials to be presented and collected in a pre-segregated manner by all parties. A 'one size fits all' approach would be unnecessarily costly and cumbersome on collectors and businesses alike, and should not be demanded of all councils, businesses, commercial operators and industry regardless of circumstances. Consideration and flexibility should instead be given to local arrangements aligned to available reprocessing infrastructure and services.
6. The proposals put forward under RE1 of the recent Welsh Government consultation on proposals for an Environment Bill have significant potential to disincentivise the collections market whilst they remain unaligned to available markets and infrastructure. It is unclear as to why these proposals are so prescriptive as this is counter to economic/market realities and could incur significant burden, cost and environmental disbenefit, for example where markets for particular materials become depressed or are non-existent.
7. The proposal of regulation by NRW is also unclear with regard to how enforceable the proposals would be. They would also deliver additional functions, cost and burden on the regulator. Viridor is concerned that this diversion of resources could be to the detriment of NRW's focusing on dealing with and preventing real waste crime in the form of blatantly illegal and environmentally damaging activity which is still widespread (with a high risk maintained by current economic and legal drivers). This waste crime should continue to be the priority of waste regulation.
8. The proposals under RE2 of the recent Welsh Government consultation on proposals for an Environment Bill appear to be unnecessarily prescriptive and again detached from market realities. The greatest levels of participation in recycling are achieved when collection systems are straightforward, easy and convenient for people and businesses. Much independent and valid research, along with market experience, bears this out¹. Urban (and other) households and SMEs especially often do not have the space or storage ability for multiple containers for fully source segregated systems. This, along with the additional complication and media/community/political resistance, can result in lower participation rates.
9. The additional cost and bureaucracy imposed does not appear to have any corresponding economic, environmental or social benefit.

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10. A choice of systems should be available for local authorities and businesses to identify and procure the most appropriate and cost-effective systems for their local conditions, needs and circumstances, rather than choice being restricted.

REGULATING BUSINESS

11. Consideration of business types or size should not be the defining division, but consideration of the available space and accessibility within the business, and the quantities and quality of each material stream that particular services or operations on any given site generate, is essential. On many small sites, the only way to accommodate additional material storage would be via more frequent collection, which again will increase cost.
12. Materials that are already composite/contaminated will continue to present difficulties, as will businesses where confidentiality is an issue. This is where clear, sustained and effective communications from the service provider and other parties is essential, regardless of the collection system employed.
13. Again it is unclear as to the enforceability of such proposals without putting undue resourcing (cost) onto the regulator.
14. The potential political impact of enforcement action against businesses for non-compliance, where wider public benefit is unclear, also needs to be considered as a specific factor.

RENEWABLE ENERGY FROM RESIDUAL WASTE & MATERIAL BANS

15. Wales, as with the rest of the UK, has identified the scope for increased amounts of renewable energy generation from waste sources, utilizing a combination of viable technologies. Viridor calculates that up to 6% of total electricity could come from waste sources.
16. The potential to deliver combined heat and power schemes at waste to energy projects could also significantly add to overall energy efficiency and Wales could develop best practice examples if these are encouraged.
17. It is unclear as to how the recent Welsh Government consultation on proposals for an Environment Bill would affect the current and growing issue of the export of waste (as 'Refuse Derived Fuel' or Solid Recovered Fuel) for energy recovery. In 2013/14 the UK's top ten exporters of RDF alone shipped over 2m tonnes of British resources overseas. The cost to the UK was up to £192m in transportation, shipping and processing fees, with the loss of resource capable of powering over 312,000 British homes or circa 1.3% of the UK population.
18. Welsh Government may wish to clarify this, particularly as these proposals seem designed to discourage investment in EfW infrastructure in Wales, counter to the Wales Waste Strategy, and to actively encourage waste export which is not subject to these provisions.
19. The recycling, resource and waste management sector is a service sector providing solutions for dealing with society's secondary material streams and wastes. Outright bans often restrict capabilities to react to changes in market conditions, which ultimately dictate how society's

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- resources are used. Overly prescriptive bans on generic material streams and prescriptive additional burdens on business are unhelpful to the sector and to Welsh businesses in this respect.
20. It would be unfortunate if government policy had the effect of reducing the appetite for private sector investment in Wales, whilst potentially limiting energy security and reducing the generation of renewable energy. Wales needs business choice, investment, jobs and energy.
 21. Whilst measures to ensure that viably recyclable materials are not landfilled or used as fuel are laudable, the approach here is overly onerous on those parties with little or no influence on the presentation of material for landfilling or recovery. This approach could therefore cause unwarranted market distortion, reduced investment in facilities in Wales and reduced levels of renewable energy generated.
 22. The proposals under RE3 of the recent Welsh Government consultation are based on a stated purpose which is premature and unnecessary. The stated purpose to: 'Ensure that valuable recyclable materials/resources are not burnt' is not aligned to market realities, i.e. it assumes that listed materials always hold market value, which is naïve and inaccurate. It is also premature in that such materials are unlikely to be sent to EfW given other economic and policy measures in place.
 23. It should also be noted that provisions within the Environmental Permitting regime make more than adequately provision for the practicable prevention of recyclable materials being sent for energy recovery (a real time example can be seen in the permit for Trident Park EfW in Cardiff).
 24. Thus the proposals appear to be largely unnecessary, setting out a position that could discourage investment in infrastructure, and the accompanying jobs and economic and service benefits.
 25. With regard to the materials list, if such materials arrived at an EfW facility, they would be highly unlikely to have any real value, and would likely be contaminated anyway.
 26. This specific proposal appears to be lacking in pragmatism, carrying a risk of reputational damage to Welsh Government. Such proposals show a lack of faith and/or impact assessment in existent policy measures. They are certainly premature as there are currently only two EfW facilities in Wales, one being a low capacity plant using novel technology with a chequered history of operational efficiency, the other utilising robust technology but not yet operational. The proposals introduce additional cost, bureaucratic burden and uncertainty at a delicate investment point for vital infrastructure in Wales and the delivery of the Wales Waste Strategy itself.
 27. Banning materials from landfill and EfW would leave them nowhere to go if there were problems with recycling facilities or markets, or if they were contaminated and there was no available EfW capacity. The materials list is too simplistic. There are many different types and grades of paper, plastic, card and wood. The markets, viability and practicability of recycling some grades will of course vary over time. If for instance, 'plastics' are banned, what would happen to those polymers that currently don't have a robust market? Stockpiling of such materials when markets are depressed is also unhelpful to further market development and stimulation.
 28. It is unclear as to the proposed level of risk and responsibility that would fall on operators and waste carriers/collection authorities and companies sending waste to EfW facilities.

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29. If implemented, the proposals as they stand would also distort the market. Anaerobic digestion and biomass facilities do not seem to be covered by the same duty, even though uncontaminated wood, paper or card is as, if not more, undesirable in an AD plant as it is in an EfW facility. Indeed previous studies have shown that energy recovery is the best environmental outcome for low grade paper and card and this is far more efficient via EFW than AD. In addition, uncontaminated wood is a key fuel of biomass facilities.
30. It is understood that some of these points could be clarified via the proposed guidance, but a level of ambiguity and uncertainty is still likely to remain regarding interpretation, enforceability and implementation. Guidance for operators, collectors, waste authorities and regulators may not prevent unnecessary cost and bureaucracy for little or unproven environmental, social or economic benefit.
31. Whilst many of the above mentioned points are also valid for the proposed landfill bans for certain materials under RE4 of the recent Welsh Government consultation, there is even greater risk of potential political reputational damage from this proposal. To introduce or consolidate effectively redundant legislation at the very time that landfill is becoming economically unviable, (it will certainly be so by the introduction date of 2017), seems naïve and unwarranted. This is further underlined by the forthcoming delegation to the Welsh Government of Landfill Tax controls and powers.
32. The fact that Welsh Ministers already have banning powers under existing legislation also serves to underline the over-the-top nature of these proposals.
33. As a real example, Viridor currently envisages that it will reduce its operational landfills across the UK from its current 21 to between three and five in the next three years. Landfill will only be required as a contingency outlet and for the disposal of truly residual materials of low or no calorific value and that cannot be physically reused or recycled. Proposed bans will therefore only serve to complicate already successful waste policy in action.

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