Welsh Government

Towards Zero Waste
One Wales: One Planet

Summary of consultation responses to the
Draft Industrial and Commercial Sector Plan

December 2013

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Llywodraeth Cymru
Welsh Government

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Industrial and Commercial Sector Plan

Consultation Response Summary Document

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1. Introduction

A consultation on the Industrial and Commercial (I&C) Sector Plan was launched on 28 March 2013 until 20 June 2013. A total of 10 questions were set out within the consultation for responses, which could be submitted electronically via e-mail or in hard copy by post.

This consultation took place at the same time as the consultation for the Waste Prevention Programme (WPP) for Wales as both documents have many similar objectives and actions. Questions 2, 3, 4, 5, 6, 7 in this consultation were also asked in the WPP consultation and therefore all related responses were analysed together.

As an overview, responses were positive to the plan and proposed actions.

The general consensus in the recycling question responses was that all companies could segregate their wastes, but space constraints could be a limiting factor. It was suggested that the waste management sector itself could ensure that the segregated material remains segregated throughout the reprocessing of materials.

The proposed measures to facilitate further collection were met positively with a general view that the infrastructure needs to be improved for collection and reprocessing of this increased volume of segregated material.

The responses will be considered in the finalisation of the Industrial and Commercial Sector plan (in conjunction with the Waste Prevention Programme).

Summaries of the responses are included within section 3.

2. Respondents

In total, 31 responses were received for this consultation. The responses represented organisation groups as follows:

Business Representative Organisations – (9) 29%
- British Soft Drinks Association.
- CIWM Wales.
- Federation of Small Businesses.
- Food and Drink Federation.
- ICE Wales Cymru.
- Packaging Federation.
- Welsh Environmental Services Association.
- Welsh Retail Consortium.
- Wood Panel Industry Federation.

Consultancy – (1) 3%
- Oakdene Hollins.

Environmental NGO – (1) 3%
- Friends of the Earth Cymru.

Public Sector – (4) 13%
- Blaenau Gwent County Borough Council.
- Caerphilly County Borough Council.
- Cardiff Council.
- Welsh Local Government Association (WLGA).

Private Sector – (11) 35%
- BOC Limited.
- Dŵr Cymru / Welsh Water.
- EEESafe Ltd.
- GroundCover D.B.M. Limited.
- Novamont SpA.
- Tata Steel.
- The Level Crossing.
- TH.INC.
- Valero.
- Valpak.
- Williams a Williams Cyf.

Social Enterprise/Charity – (2) 6%
- British Heart Foundation.
- Cylch: Community Resource Cymru.

Welsh Government Sponsored Body / funded organisation – (3) 10%
- Cyfoeth Naturiol Cymru / Natural Resources Wales.

- Ecodesign Centre Wales.
- WRAP Cymru.

3. Consultation Question Responses

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Consultation Question 1

Do you agree with the findings and conclusions of the Sustainability Appraisal? If no, please explain your reasons.

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Summary of Responses

All of the respondents agreed with the findings and conclusions in the Sustainability Appraisal.

One respondent was concerned with a seeming lack of co-equal prominence given to economic factors in the sustainability criteria, as opposed to environment and social factors.

There is concern that the balance between the three aspects of sustainable development – economic, social and environmental, may unduly weigh against economic considerations, in favour of a more uneven focus on environmental concerns and that the Sustainability Appraisal does not contain a separate and in-depth cost-benefit analysis of the economic impact to businesses from implementing the Towards Zero Waste (TZW) I&C Sector Plan.

Another respondent expressed concern that the plan didn't give enough consideration to industrial process waste generated in the steel industry, which require different strategies.

One comment was made that the Sustainability Appraisal was generalised, but recognised this was inevitable when working at this strategy programme level.

Natural Resources Wales (NRW) responded in detail in their capacity as a statutory consultee in the context of their responsibilities under the Environmental Assessment of Plans and Programmes (Wales) Regulations 2004, and as advisers to the Welsh Government on the natural heritage and resources of Wales and its coastal waters. There were some critical comments made regarding the Sustainability Appraisal report, but there was agreement in principle that the assessment is correct, the programme has no significant adverse effects and has the potential for positive effects.

Welsh Government Response

The findings of the Sustainability Appraisal will be taken into account when finalising the Industrial and Commercial Sector Plan.
As recognised in the consultation document, the Welsh Government needs to conduct further research and engagement with businesses within the permitted industry sectors to understand the degree to which processes have already been optimised, and the scale of further reduction opportunities.

The Welsh Government will take Natural Resources Wales's recommendations into account when publishing the Post Adoption Statement and future Sustainability Appraisals on plans and programmes.

Consultation Question 2

The proposed waste prevention targets for the industrial and commercial waste streams are:

A general reduction of 1.4% every year to 2050 based on 2006/7 baseline for industrial waste, with specific targets for the individual priority sectors (identified in sections 3.6 and 3.7 below):

- *Manufacture of basic metal and metal products*
- *Manufacture of paper and paper products*
- *Manufacture of chemicals, chemical products, pharmaceuticals.*
- *Food manufacture*

A reduction of 1.2% every year to 2050 based on 2006/7 baseline for commercial waste.

An implementation plan will be developed to deliver against these targets.

Do you agree with the targets that are proposed? Please give your reasons.

What targets should be proposed for the priority industry sectors? Please give your reasons.

Summary of Responses

The respondents supported the principle more should be done to further reduce waste generated by businesses. There was a mixed response regarding the setting of targets, particularly if they were to be statutory and

assigned to specific priority sectors. There were comments that the high level targets proposed would be challenging but achievable.

The main issues raised were:

- The Environmental Permitting Regulations already has provision for waste minimisation within the permit conditions.

- Industry sectors had already undertaken considerable effort to reduce waste, and were continuing to do so voluntarily.

- Economic drivers are in place to drive resource efficiency in many businesses.

- Clarity would be needed on the scope of definition of "waste" within the target.

- Relative targets may be more appropriate, to allow for economic growth.

- There should be exemption for occasional large waste streams. An example would be waste generated during de-commissioning or replacement of industrial plants.

- High level targets were appropriate, but we need more information on individual industry sectors before assigning targets.

Recommendations included:

- Voluntary agreements and initiatives should be taken forward in the first instance.

- Engagement with industry sectors to determine baseline of activity on waste prevention.

- Supply chain engagement could be a mechanism for maximising through yield within industrial operations.

- Principles such as the paperless office, reusable transit packaging containers and the reuse of office furniture and equipment could be adopted by office based businesses.

Welsh Government Response

The Welsh Government intends to retain the high level waste prevention targets (1.4% per year for industrial waste and 1.2% per year for commercial waste) as indicative, non-statutory targets. The target is useful in setting the direction and speed of change required, driving innovation, focussing the activities of our implementation projects and monitoring whether we are meeting our objective of de-coupling waste from economic activity and moving towards one planet living.

Instead of introducing targets on individual industry sectors, targets will be developed for each of the implementation projects as appropriate.

> *As recognised in the consultation document, the Welsh Government needs to conduct further research and engagement with businesses within the permitted industry sectors to understand the degree to which processes have already been optimised, and the scale of further reduction opportunities. This work will be taken forward as part of the Waste Prevention Programme implementation plan.*

Consultation Question 3

We have described priority business sectors and areas for action.

(a) Do you agree with these priorities? Please give your reasons.

(b) Is there anything else that we should consider a priority? Why is it important?

(c) Do you agree with our proposed approach of voluntary action in the first instance, with mandatory measures under review in the longer term? Please give your reasons.

Summary of Responses

Respondents generally agreed with the priorities as set out in the consultation document, although there were some reservations.

One of the issues raised was regarding data on waste arising from industry sectors, as the data on which the priorities are set, refers to waste arising in 2007. There were suggestions that mandatory reporting of waste should be considered in order to monitor progress. Responses to other questions have raised concerns over introducing additional reporting burdens on business.

Several respondents commented that the consultation document could have been clearer in explaining what the priority sectors were and why.

There was strong support for the public sector to be a focus for action, both as an exemplar and through its influence over the private sector through the procurement of goods and services. There was a cautionary note that procurement criteria should be written so as to not disadvantage local, smaller suppliers.

Recommendations for additional priorities were:

- Waste from production industries.
- Metals sector.
- Wholesale/retail/repair of motor vehicles.
- Education.
- Professional/scientific and technical sector.

There was overwhelming support for voluntary action in the first instance. The respondents feel that the reach and impact of these initiatives should be evaluated before considering introducing mandatory measures. Concern was raised over the process of introducing legislation, particularly the lack of independent scrutiny of regulatory impact assessments. Charges and taxes were singled out as particularly inappropriate measures at this time.

> ### *Welsh Government Response*
>
> *The Welsh Government will clarify the priority sectors and areas in the final document as:*
>
> - *Public Sector*
> - *Large Retailers*
> - *Food supply chain*
> - *Small Medium Enterprises (SME)*
> - *Permitted Industries.*
>
> *Promoting eco-innovation will be a cross cutting issue.*
>
> *The Welsh Government recognises that data on waste arising from business activities is from 2007, and believes that the priorities identified are valid in terms of their relative quantities and environmental impacts.*
>
> *We have recognised the need to better understand some industries (e.g. production industries, including the metals sector) to determine reduction potential, before deciding whether further action is needed.*
>
> *The repair of motor vehicles generates small quantities of wastes and we are not proposing to prioritise it at present. The businesses in this sector are SMEs and will be considered in developing the implementation project addressing business resource efficiency in SMEs.*
>
> *Education will be included in the programme through our public sector project. Professional services will be able to access our SME support, and eco-innovation may extend into the scientific and technical sectors.*
>
> *It is the Welsh Government's intention to monitor the efficacy and impact of voluntary initiatives over the next 5-6 years. We have no intention of introducing mandatory measures for waste prevention during this timescale.*

Consultation Question 4

It is proposed that the Welsh Government and retailers will build on the success of the introduction of carrier bag charge and UK wide action through the Courtauld Commitment and other initiatives, leading to retailers taking forward actions on

- **Improving the environmental impact of their product portfolio by influencing growers, processors, manufacturers and distributors within Wales and internationally.**

- **Reducing the waste generated through its own activities.**

- **Supporting national and local initiatives such as food redistribution schemes.**

- **Providing clear information to consumers about the environmental performance of their products.**

- **Providing information and guidance on practical steps that consumers can take to reduce the impact of their products during use and at end of life.**

What further actions and initiatives can be taken to enhance our current programme of work, and to support the actions above?

Summary of Responses

In general there was support for the proposals with regards to working with large retailers, and further examples of industry engagement in these activities were provided by respondents - for example Courtauld Commitment, Product Sustainability Forum and the Consumer Goods Forum together with surplus food donation.

The main issues raised and recommendations were:

- Improvement of the impact of the product portfolio – Engagement of the whole supply chain.
  A Welsh Government delivery organisation recommended the engagement of the waste management sector directly with manufacturers, designers and engineers, to encourage a broader understanding of end of life issues and ecodesign for recovery.

- Minimising waste – in particular packaging and reuse.
  The retailer and food manufacturing sector has a general consensus that these sectors have an important role with regards to minimising waste but also that further changes to packaging are not necessary. However, this conflicted with the waste management sector, in which a representative body raised concerns regarding the difficulties to recycle, including non recyclable elements of current packaging waste streams and the conflict between light weighting, marketing and shelf life – which sometimes

impeded waste prevention and recycling, in particular the increasing use of composites.

- Reuse.
  Several respondents stated the reuse of materials via retailers should be standardised and increased with appropriate customer information and signposting. Funded business support for the development of reuse networks was also suggested.

- Consumer Information and Guidance.
  The importance of getting consumer information correct was also emphasised in these responses. A trade body of the food manufacturing sector feels voluntary action by stakeholders in the supply chain should identify and address hotspots across the full product life cycle, which is more effective than a consumer driven model, based on information regarding individual product footprint – including on the form of over simplified messages on pack. This body feels these messages would not benefit consumers or the environment and would also be a costly approach to take. Other research from a Welsh Government funded body suggest that understanding what matters to consumers is key e.g. running costs of a shower, as opposed to amount of water used by a shower per minute. Behaviours are not automatically linked to values and attitudes, therefore evidence based and tested messaging and communications are essential.

  Campaigns, for example the Fresher for Longer campaign, were noted as having an important role by a food manufacturing trade association.

- Data gathering.
  The need for accurate data collection and engagement of key stakeholders was also raised. In particular, there was a recommendation to exchange information on setting sector specific targets.

Welsh Government Response

The Welsh Government will be continuing to encourage the large retail sector in Wales to develop further waste prevention activities both with regards to waste arising at store, through their supply chain and also with Welsh consumers. These are identified in the Waste Prevention Programme as one of the priority sectors for further waste prevention to meet our targets.

The Welsh Government will be promoting the principles of ecodesign and life cycle approaches and will be encouraging further updates of these principles by retailers with regards to the goods and services that they offer, through support of UK programmes and specific Welsh projects. Actions should also encourage the liaison of key stakeholders throughout the whole supply chain from design, manufacture, retail and end of life.

> *Monitoring and measuring of progress is an ongoing activity for all waste and resource programmes associated with Towards Zero Waste.*
>
> *A community based social marketing pilot is currently being developed by the Welsh Government and WRAP to explore whether this approach may increase resource efficient behaviours of customers in store.*
>
> *The Welsh Government is developing a reuse strategy.*

Consultation Question 5

How can the Welsh Government encourage businesses engagement in eco-innovation?

Summary of Responses

The main issues raised were:

- The Eco-design Centre for Wales made reference to a report commissioned by the Welsh Government which included identifying and ranking the products produced in Wales in terms of how resource intensive they are likely to be, and potential interventions to enhance the uptake of eco-design in Wales.

- The use of financial incentives, continued support for advisory bodies, forging links between business and academia and other measures, such as deposit schemes, 'extended producer responsibility' requirements and promoting Life cycle assessment (LCA) approaches.

- Many respondents gave examples of existing initiative. One Welsh Government funded organisation gave insights and learning's from a project in Wales.

- There was also a recognition that eco-innovation/design is not something that individual Member States can achieve on their own, and the importance of action at a European level. There are a number of strategies and communications relevant to eco-innovation at a European level and there was a call for European product policy to actively promote material resource efficiency.

Recommendations included:

- Communication and awareness raising.
  For example, forums where pioneers talk about their experience first hand, and communicating the savings that businesses can make through adopting eco-design/innovation.

- Support for demonstration projects.
  Demonstration projects were identified as an important measure. Industry can be cautious in adoption new technologies that have only been trialled or tested in lab conditions. Demonstration projects, and disseminating the findings across industry, can overcome this uncertainty.

- Driving demand.
  There was a call to drive demand for new products through a range of measures:

  - Sustainable government procurement policy for central and local government which encourages eco-innovative products was seen as an important measure.

  - Use of the eco-label so consumers can make informed choices, and drive demand.

  - Encourage the local development and production of eco-innovative products through a structured reduction in VAT and corporation tax.

  - Compulsory guarantees.

Welsh Government Response

The Welsh Government is proposing to develop an initiative to enhance eco-innovation in businesses in Wales. This will include;

- **_Targeting sectors and businesses where there is greater potential for resource efficiency gains through eco-innovation._**

- **_Staged interventions according to where businesses are on their 'innovation journey'._**

 Delivery could be either through:

- **_Enhancing eligibility within the existing Department of Economy Science and Transport (EST) innovation offering, such as innovation vouchers, Knowledge Transfer Networks and Research Development & Innovation funding, and/or;_**

- **_Developing new programmes:_**

The initiative will prioritise businesses within the three Grand Challenge areas, identified in Science for Wales: Life sciences & health, Low carbon, energy and environment, and advanced engineering and materials, but will not exclude excellent eco-innovation projects in any sector.

These 3 sectors are also targeted in Innovation Wales as areas where major interventions are to be concentrated. Innovation Wales specifically refers to eco-innovation as forming part of the broader

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definition of innovation which the Welsh Government would like to adopt going forward.

Because the initiative prioritises Wales' Grand Challenge areas, it will accord with the European Commission' s Smart Specialisation approach, which the Welsh Government has now adopted and is important when accessing EU Structural Funds.

Finally, the initiative's target areas have a significant overlap with the EU's identified societal challenges as outlined in Horizon 2020, the new Common Framework for Research and Innovation for 2014-2020.

The Welsh Government will continue to work with the UK and EU Governments to influence the strategies and communications relevant to eco-innovation.

The Welsh Government is developing a 'Public Sector Plan' which will take forward actions on green public procurement.

We will assess the potential for promoting eco-label products to drive demand through a public awareness campaign.

Consultation Question 6

A review of the UK wide and international evidence on the waste prevention barriers and measures specific to your sector can be found at:

http://randd.defra.gov.uk/Default.aspx?Menu=Menu&Module=More&Location=None&Completed=0&ProjectID=17499

Do you agree with this evidence for your sector in Wales? If not, why not?
What support does your business need to become more resource efficient and why?

Summary of Responses

The respondents generally agreed with the evidence provided for the sectors, including barriers to action and motivators for change.

An industry respondent suggested the cost benefits of reducing input materials has led to resource efficiency and waste prevention. Waste prevention is not necessarily a low priority for businesses in the current economic conditions.

The review did not cover all industry sectors, as highlighted by some of the respondents.

The following support mechanisms were mentioned in the responses:

- Voluntary Agreements.

- Extending the use of reusable, returnable and recyclable secondary and tertiary packaging.

- Financial assistance.

- Organisational assistance.

- Integration of support for material, energy and water efficiency.

- Support with setting internal Key Performance Indicators (KPI) and measurement systems.

- Removal of regulatory barriers.

Welsh Government Response

The Welsh Government is content with the findings for the industry sectors covered by the evidence review - are applicable in Wales and we will use these findings in the development of implementation projects, together with the findings from the stakeholder engagement events undertaken during the consultation period.

We recognise some sectors are not covered, and are committed to engaging with permitted industry to establish a baseline of current action on waste prevention, further reduction potential, and any supporting actions required.

The Welsh Government's existing initiatives cover many of the support mechanisms above to some or all industry sectors, and we will take account of the recommendations when developing new measures.

The integration of support for material, energy and water efficiency is one of a number of options being considered for a business resource efficiency programme for SMEs.

Regulations are essential in protecting human health and the environment. Natural Resources Wales adopts a risk based approach, targeting activities that have the greatest potential to cause harm. It has mechanisms to review activities which are low risk in order to reduce or remove regulatory burdens where appropriate. A wide number of activities do not require permits, simply registration as an exempt activity, and others may meet end of waste criteria. Guidance is available online, but the final decision lies with the Courts.

Consultation Question 7

The Welsh Government is looking at how business attitudes and behaviours can be influenced so that businesses can become more resource efficient. We are using a competency framework approach to do this.

Do you agree that a competency approach is useful to benchmark performance and underpin any interventions? If not, why not?

Do you agree that a competency framework is a useful approach to underpin and target a potential future business support programme for SMEs in Wales? If not, why not?

Summary of Responses

There was agreement that a competency framework approach could be used to benchmark performance and underpin interventions.

There were a number of recommendations and observations:

- Participation should be voluntary.

- Businesses shouldn't be burdened with mandatory measures.

- However there could be an issue with uptake.

- To encourage participation, costs to the business of participating should be a key consideration.

- Advice and support for businesses was welcome.

- Need to consider how best to encourage businesses to get involved.

- Highlighting financial benefits may increase engagement.

- Competency approach leads to long term behaviour change, and is more effective than one-off audits.

- Lean Management techniques should be encouraged.

- The competency framework should be used in conjunction with a strong evidence base, clearly defined objectives, key performance indicators and milestone achievements.

> ### *Welsh Government Response*
>
> *The Welsh Government is committed to assisting businesses in Wales to optimise the financial and environmental benefits of resource efficiency. To this end, we are investigating a number of options, including the use of a competency approach, for developing a programme for business resource efficiency in SMEs.*
>
> *We will be consulting with business representatives to ensure that costs and burdens will be minimised and the benefits to business optimised when delivering our work with SMEs.*

> ### Consultation Question 8
>
> **Do you agree that it is feasible for businesses to keep each of these four key waste streams separate at source (please indicate 'yes or no against each waste stream)?**
>
> **a) Paper and card,**
>
> **b) Plastics and cans**
>
> **c) Glass**
>
> **d) Food**
>
> **If not why not? Which types of business do you think will face the biggest challenges and why?**

Summary of Responses

All respondents stated that segregation of all these waste streams was feasible for all companies albeit space may become an issue for certain, smaller premises. The part that adequate collection services also play is also referred to together with the role of the Collections, Infrastructure and Markets Sector Plan.

It was also raised that segregation of waste can lead to further waste prevention based on anecdotal evidence for the household waste stream.

Business communication and its importance in guiding companies to change was also mentioned.

> ### *Welsh Government Response*
>
> *The Welsh Government will consider these views as we continually take forward development in this policy area.*

Consultation Question 9

Do you agree that the types of measures proposed will facilitate further collection from businesses, particularly SMEs to meet the targets in Towards Zero Waste? If not, why not? What other measures could be considered and why?

Summary of Responses

There was a general consensus of agreement on the proposed actions to facilitate further collections from SMEs.

Several respondents pointed out that the waste management industry will also need to support the collection of segregated waste streams.

Use and enhancement of schemes such as the Green Compass was raised by a couple of respondents. Enhancement could include material quality assessment for those facilities that sort waste for recycling, as not all facilities will fall within the definition of a materials recovery facility.

The role of procurement was also mentioned with regards to its role in generating the market for previously used items.

Welsh Government Response

The Welsh Government will be taking forward these actions through the various sector plans with business delivery partners and key stakeholders in Wales. Suggestions raised above will be considered in due course as part of this activity.

Consultation Question 10

We have asked a number of specific questions. If you would like to comment on anything else, or raise any issues which you feel we have not fully addressed, please do so here.

Summary of Responses

The Wood Panel Industry Federation states it is very supportive of the efforts to reduce waste but it is important that due attention is given to recycling and reusing wood waste without placing unfair expectations or regulations on the industry which has heavily invested in waste reduction. Concern was also raised regarding the focus on recycling wood versus the industry's work to ensure that the product functions as intended. The example given is that certain panel types need binders to ensure that these products last longer but can make recycling more difficult.

One manufacturer was concerned that inadequate consideration was given to large tonnage process wastes generated by industrial processes and requested for sector guidance to be clear and concise in order to support such sectors.

A Welsh Government delivery organisation stated that there are significant gaps in the provision of collection services in Wales, especially for micro SMEs in rural locations and provision of large scale reprocessing capacity.

Innovation and ICT was mentioned as a mechanism to enhance take up of new business models which could be facilitated through the new Structural Funds for Wales.

NRW took the opportunity to encourage any companies contemplating establishing new waste infrastructure, to contact them as early as possible to discuss permit requirements.

Concern was raised that the Packaging Responsibility data quoted may not have taken into account the fraudulent activity against which the Environment Agency took action in 2012.

> ### *Welsh Government Response*
>
> *The priority waste streams identified are those which have been identified via the ecological footprint that was undertaken for Towards Zero Waste. Those are also the streams that evidence shows as high tonnage waste where high potential waste prevention opportunities lie.*
>
> *Although there are priority sectors, the Welsh Government welcomes the opportunity to engage with companies of all sizes and sectors, including permitted companies, in order to identify and address further sector specific waste prevention opportunities and guidance.*
>
> *The Welsh Government through the Collection, Infrastructure and Markets Sector Plan will be working to increase collection services and processing capacity through-out Wales.*
>
> *The data quoted did not take into account the revised producer responsibility data for 2010 which is now known to be fraudulent as pointed out by NRW. This is noted in the document with data added where available.*

4. Collation of Consultation responses

The I&C SP consultation questions only are included here. The consultation responses for the Waste Prevention Programme have been published separately.

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<u>Consultation Question 1</u>

Do you agree with the findings and conclusions of the Sustainability Appraisal? If no, please explain your reasons.

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<u>**ICE**</u>

Yes, I agree.

<u>**Valero**</u>

The Sustainability Appraisal (WG17930), which informs the overall TZW I&C Sector Plan (WG18015), is a thorough examination of the various methodologies, targets and predicted effects of implementing the draft sector waste plan. However, Valero considers certain aspects of the Sustainability Appraisal to contain some significant omissions that require reassessment before the I&C Sector Plan is implemented.

Firstly, and most importantly, is the seeming lack of co-equal prominence given to economic factors in the sustainability criteria, as opposed to environmental and social factors. The Welsh Government's definition of sustainable development, embedded as a duty within the Sustainable Development (Wales) Bill before the National Assembly, commits to enhancing the "economic, social and environmental wellbeing of people and communities" ('One Wales:One Planet – The Sustainable Development Scheme of the Welsh Assembly Government', May 2009, p.8).

Valero has previously expressed its concern that the balance between these three aspects of sustainable development – economic, social and environmental – may unduly weigh against economic considerations in favour of a more uneven focus on environmental concerns. With these concerns in mind, it is disconcerting that the Sustainability Appraisal does not contain a separate and in-depth cost-benefit analysis of the economic impact to businesses from implementing the TZW I&C Sector Plan. Whilst specific and rigorous attention is given to assessing the draft sector plan's impact through a Health Impact Assessment (Sustainability Appraisal, p. 81-88) and Habitats Regulations Assessment (Sustainability Appraisal, p. 89-96), no similar assessment of the economic impact has been made.

Where economic considerations have been mentioned in the Sustainability Appraisal, the focus tends towards an emphasis on the wide-ranging benefits to businesses of reducing the amount of waste sent to landfill (Sustainability

Appraisal, p. 63), and other generalised benefits to industry, such as reductions in transportation costs, improvement in resource efficiency and the potential income and employment benefits to the waste management sector as the TZW strategy is phased in (Sustainability Appraisal, p. 84). Whilst there is a declaration that there may also be a "potential risk upon income and employment in order to comply with the Waste Strategy" (Sustainability Appraisal, p.84), the full implications of this are not explored in any great detail anywhere else in the Sustainability Appraisal.

At a time of great economic uncertainty, and when the refining industry in particular is facing the prospect of significant additional legislative costs at an international, EU and UK level, we believe it would be wholly negative for the Welsh Government to impose any policies that might increase any additional burdens on industry at this time without a detailed cost-benefit analysis having been completed to assess the economic impact.

Tata

This document is fairly substantial at some 207 pages, and yet it is limited by the assumption that the draft Industrial and Commercial Sector Plan adequately considers industrial process wastes, such as those generated in the steel industry. The large tonnage waste streams produced by our sector require very different strategies to those considered in the Plan, which appears to focus on dry recyclables, biodegradable wastes, and WEEE.

CIWM WALES

CIWM Wales believes the sustainability findings and conclusions are somewhat generalised. This sector plan, as with all of the sector plans' sustainability appraisals, do not identify specific actions that have associated locations where the activities will take place, therefore the Sustainability Appraisal has to be general.

Consultation Question 8

Do you agree that it is feasible for businesses to keep each of these four key waste streams separate at source (please indicate 'yes or no against each waste stream)?

a) **Paper and card,**

b) **Plastics and cans**

c) **Glass**

d) **Food**

If not why not? Which types of business do you think will face the biggest challenges and why?

<u>ICE</u>

a) Paper and card – yes.

b) Plastics and cans – yes.

c) Glass – yes.

d) Food – yes.

The businesses with the biggest challenges will be the biggest and most diverse.

<u>Valero</u>

a) Paper and card

Yes.

b) Plastics and cans

Yes.

c) Glass

Yes.

d) Food

Yes.

If not, why not? Which type of business do you think will face the biggest challenge and why?

N/A.

As always, Valero is grateful for the opportunity to discuss these issues with the Welsh Government, and we look forward to further developments with great interest.

<u>NRW</u>

The introduction of separate food waste collections may present a challenge to organisations which produce significant amounts of food waste, such as the catering and hospitality sectors. The successful introduction of household food waste collections across Wales does show however, that it is possible to deliver. The separate collection of food waste will be essential to retain the value of other recyclable materials.

There is also anecdotal evidence to suggest that the introduction of such collections helps drive waste prevention, as consumers are more aware of what they are throwing away.

If requirements for businesses to segregate these wastes are introduced, then it is essential that adequate collection and treatment infrastructure is in place to receive these materials. The Collections, Infrastructure and Markets (CIM) sector plan sets out the what treatment facilities will be needed to achieve the targets in Towards Zero Waste, and how it will be delivered. It is vital that this new treatment infrastructure is delivered as current capacity for some priority materials at existing facilities is insufficient to meet potential future demand.

WESA

It is theoretically feasible for most businesses to keep the four waste streams separate, however not all businesses will have the physical space available to store 4 separate containers plus a container for residual waste.

WRAP

It is feasible to segregate all these streams and many businesses already do so. For many businesses it is feasible to keep each of these four key waste streams separate at source. Smaller businesses may struggle for space and finding suitable collection routes. In micro businesses, levels of paper and card, plastics and cans, glass and food are likely to be minimal.

Successful uptake of source segregated collections will also depend on the frequency of the collection services offered, the method used to facilitate collections and store waste. Innovation in the waste management sector will be required to develop an extensive network of small scale collectors and may involve engagement from other non-waste sectors i.e. cleaning companies, logistics, to ensure availability of cost effective solutions. Collection methods would need to ensure materials are kept separate during transport, transfer and storage. Success will also be dependent on the costs, availability of the service and behaviour change support.

CIWM

CIWM Wales believes this is feasible for all waste streams, however, businesses with small premises may find this difficult to achieve, but it is a matter of efficient organisation of space and with some thought it should be achievable in all circumstances. Even more green focussed organisations struggle to achieve this level of waste segregation at all of its premises. The other associated issue is getting the waste collection industry to provide the necessary separate collection service which goes against recent industry trends of collecting comingled recyclates and using a facility to separate the fractions. Separate collection of food waste is a prerequisite to achieving recyclate collections due to contamination issues. This is an area where legislation will be needed to achieve the required actions from the waste

industry and it would be difficult to achieve this on an England and Wales basis.

Communication in relation to this issue is very important as businesses will need to be given time to change the way in which they operate. Consideration is needed on who would be in the best position to do this type of communication and it may need to be the combination of communications from a variety of sources.

Consultation Question 9

Do you agree that the types of measures proposed will facilitate further collection from businesses, particularly SMEs to meet the targets in Towards Zero Waste? If not, why not? What other measures could be considered and why?

ICE

Further collections must be facilitated from businesses or the measures will not work.

Valero

No response.

NRW

There are clearly potential improvements to be made with waste practices and collections from SME's in Wales. The 2007 Commercial and Industrial waste arisings survey in Wales, managed by Environment Agency Wales reported that 57% of industrial waste and 51% commercial waste produced by companies employing up to 20 people, was managed via landfill. The introduction of improved collection systems from SME's will be essential if the targets in Towards Zero Waste are to be met.

However the collections systems are designed, it is essential that the quality of material is protected. With more recycled material available on the global market, poor quality material will likely be rejected by the reprocessers. In order to maintain the value of the material, effective collection and treatment systems will be needed to ensure it can be used as an effective, quality raw material.

The Green Compass scheme could be enhanced to encompass material quality assessment for those facilities that sort wastes for recycling. Some facilities will be required to do this through forthcoming legislation, but not all the facilities in Wales will fall within the definition of a materials recovery facility. Good practice would suggest that this requirement be extended through voluntary mechanisms, or through recognised standards such as Green Compass.

The suggestion that the potential for enhanced local authority trade waste recycling collection services to be introduced where the private waste management sector does not provide a sufficient service is welcomed, but the definition of what is a sufficient service is needed to enable the waste industry in Wales to play its part in addressing this requirement.

Tata

No comment.

WESA

a) Increasing the recyclability of products and packaging.

yes.

b) Mandatory provision of a separate collection service for paper, metal, plastic and glass.

WESA's views are contained in our previous response to the Government consultation on the separate collection of recycling.

c) Further interventions to secure greater recycling of industrial and commercial waste, especially for food and cardboard waste.

Landfill Bans
Half of Britain's waste is still landfilled, resulting in potentially valuable materials being lost to the productive economy. ESA wants to see steady progress towards a circular economy, where manufacturers, retailers, businesses of all kinds, consumers and the waste and recycling industries work together to ensure that products and materials are made and used efficiently and then wherever possible re used or recycled for future use. Where wastes cannot be economically or practically recycled they should be used to maximise energy generation.

ESA is not opposed in principle to proposals for landfill restrictions, but does have strong doubts as to how practicable and necessary it is in practice. Increases in landfill tax and the requirement to follow the waste hierarchy are diverting increasing quantities of waste from landfill and this trend is likely to continue. Landfill bans are a very regulatory approach and would pose considerable practical problems for implementation and enforcement. They would also severely limit Wales' ability to react flexibly and speedily to unforeseen environmental and other emergencies (such as animal disease epidemics).

d) Supporting business to secure high quality recycling of business waste.

Yes.

e) Increasing awareness and behaviour change towards business waste recycling.

Yes.

f) Support and encourage 'recycling on the go' collection systems.

Yes.

g) Provision of a directory of recycling companies.

Yes, however, it is worth noting that the referenced Environment Agency directory of companies that can recycle waste is not very comprehensive. For example, it does not seem to include any of ESA's major member companies.

h) Recycling business support.

j) Extending kerbside recycling services for business wastes.

It is important the same rules apply to the collections of trade waste for Local Authorities and Private Sector companies.

m) Development of markets for recyclates in Welsh manufacturing.

n) Further interventions for other specific materials.

ESA's views on exporting recyclates are contained in our report ' Overseas Option: The importance of exports to UK recycling': http://www.esauk.org/reports_press_releases/esa_reports/Overseas_options. pdf

o) Working with Welsh manufacturers to increase the amount of recycled content for the target materials.

p) Promotion of agreements to incorporate recycled content into products and packaging.

q) Development of standards for the incorporation of recycled content into packaging and products.

r) Demonstration of recycled content incorporation into products and packaging.

s) Recycled Content Procurement.

ESA's recently published report 'Going for Growth: A Practical Route to a Circular Economy contains recommendations along similar lines to (o), (p), (q), (r) and (s) above. The report can be downloaded at: http://www.esauk.org/esa_reports/Circular_Economy_Report_FINAL_High_R es_For_Release.pdf

WRAP

Increased infrastructure for collections and reprocessing is a must.

WRAP would also recommend considering landfill bans for textiles to support re-use markets and reduce waste.

Separate collections should be established for WEEE and re-use targets set for approved authorised treatment facilities for WEEE.

Green procurement should be promoted amongst the public sector, large businesses and office based businesses to encourage the procurement of re-used items, with a focus on WEEE and furniture in particular.

CIWM Wales

The suggestion regarding making source segregation mandatory for waste producers would not achieve the required outcome if the waste industry separate collection service is not mandated too. The Waste Regulations (England and Wales) 2011 permits comingled collections, if the waste producers are required to segregate the wastes, the waste collection industry must be required to maintain the segregation.

The suggested indicators depends on accurate data on waste production, numbers of employees and GVA, experience of government data on employment at individual premises indicates that this will be difficult to achieve.

The suggestion that the potential for enhanced local authority trade waste recycling collection services to be introduced where the private waste management sector does not provide a sufficient service is welcomed, but the definition of what is a sufficient service is needed to enable the waste industry in Wales to address this requirement.

The green compass scheme could be updated to include material quality assessment for those facilities that sort wastes for recycling, some facilities will be required to do this through legislation but for the facilities that do not fall within the definition of a materials recovery facility in the proposed legislation, good practice would suggest that this requirement be extended through voluntary mechanisms.

At the end of 2011 the UK Government and Devolved Administrations consulted on the next phase of packaging recycling targets for the proposed period 2013 – 2017. Following the consultation, the four UK Nations have agreed that for glass a new target should be set so by 2017 glass recycling will be 64% by re-melt. This change would ensure that the increased amount of material recycled by this new target will achieve a better environmental outcome. The proposed changes hopefully remove the incentive for organisations to fraudulently claim PRNs for glass recycling as has been seen in Wales in recent years. There are concerns that the Producer Responsibility

data quoted in the sector plan might not have taken account of this fraudulent activity against which the Environment Agency took action in 2012.

ICE

There are severe problems in Cardiff if the local council penalise reputable businesses without any equitable reason.

Valero

No response.

Wood Panel Industries Fed (WPP questions no recycling)

Wood waste is mentioned in this sector plan but the WPIF believes more focus should be given to wood as a key material that more can be done to recycle and reuse, rather than sending it to landfill or burning it for energy generation before the end of its usable life.

The WPIF is a strong supporter of the Waste Hierarchy and it is positive that this is a key focus of the Welsh Government's waste reduction strategy. However, with wood, unless action is taken in other policy areas these efforts will be undermined. For example, the subsidies provided by the UK Government for large-scale biomass energy generation are incentivising the purchase of domestic wood to burn for electricity generation. The wood types burned include virgin wood, small roundwood and sawmill products such as sawdust and post-consumer/post- industrial waste wood. These are all wood types that are utilised by wood processors for products which can be reused and recycled numerous times before they reach the end of their usable life. Unfortunately these subsidies provide energy generators with a very significant market advantage in purchasing this wood. Subsidies to energy generation damage efforts to encourage wood recycling and reuse by acting as a disincentive for segregation and sorting. As the Welsh Government notes in the consultation document, recovery of waste for energy should only occur when all other options have been exhausted, yet this is undermined by the use of wood types with other existing uses for energy generation.

Wood should be included in the sector plan as a priority material for recycling and it is important that an effective means to collect wood waste and transport it to recyclers like Kronospan is supported by the Welsh Government as part of this. However, it is also important that the focus on making products recyclable does not damage the industry's ability to ensure its products function as intended. For example, in some panel types the use of binders is

essential. Although this can make recycling more difficult, the products the panels are used to make will last for a number of years and can then either be reused, recycled or burned for energy generation once no further use can be made of them. This is still in keeping with the Waste Hierarchy and is certainly a much more efficient use of the wood than burning it immediately for energy generation or sending it to landfill.

The wood panel industry is very supportive of efforts to reduce waste but it is important that due attention is given to recycling and reusing wood waste without placing unfair expectations or regulations on an industry which has already invested heavily in waste reduction.

NRW

Natural Resources Wales is the waste regulator in Wales, and as such, we'd encourage any companies thinking of establishing new waste infrastructure to contact us at an early stage to discuss any permit requirements.

At the end of 2011, the UK Government and Devolved Administrations consulted on the next phase of packaging recycling targets for the proposed period 2013 – 2017. Following the consultation, the four UK Nations have agreed that for glass, a new target should be set, namely that by 2017, glass recycling will be 64% by re-melt. This change would ensure that the increased amount of material recycled by this new target will achieve a better environmental outcome. The proposed changes hopefully remove the incentive for organisations to fraudulently claim PRNs for glass recycling as has been seen in Wales in recent years. There are concerns that the Producer Responsibility data quoted in the sector plan might not have taken account of this fraudulent activity against which the Environment Agency took action in 2012.

Tata

The current document fails to give adequate consideration of the large tonnage process wastes generated by industrial processes, including the steel industry. It also discusses increasing recycled content in products, without addressing the need to consider whether those products are then themselves recyclable, as would be determined through an LCA approach that takes the end-of-life phase into account. Sector guidance needs to be clear and concise, and to adequately support the steel sector

WRAP

WRAP Cymru has focused much of its activity on supporting the development and capacity of the recycling and reprocessing sector across Wales. We have been successful in supporting additional collection services for recycling of materials from SMEs and in developing new and additional reprocessing capacity through the EU supported Accelerating Reprocessing Infrastructure Development (ARID) project. However there remains significant gaps in the provision of services (particularly for micro businesses) in rural/remote regions

and in the provision of large scale reprocessing capacity, notably for plastic and C&I food waste. Innovation and the use of ICT to deliver new business models may be key to the delivery of targets in the I&C sector and this could be facilitated through use of the proposed Structural Funds for Wales after 2014.