

ALUMINIUM FEDERATION

**Parliamentary Breakfast Meeting
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Challenges and Opportunities for Boosting the Recycling of Aluminium Packaging

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Almost 21 years ago to the day, the aluminium industry launched its drink can recycling programme in the UK. At the time of the launch very few cans were recycled and those that were, were not officially recorded or reported. To coincide with the launch, Alcan (now Novelis) opened Europe's only dedicated aluminum drinks can recycling plant in Warrington. For those of you not familiar with the plant, it takes used drinks cans and remelts them to form 26 tonne ingots which are used to make new drinks cans, the ultimate "closed loop" recycling system. Costing over £28 million, this was a very brave investment at a time when very few drinks cans were recycled in the UK!

For the first ten or so years, the Industry focused on "cash for can" systems where charities, community groups, schools and individuals exchanged their aluminium drinks cans for cash at over 500 points around the UK. At around 1 penny per can, millions of pounds were paid to fundraising groups, funded purely from the intrinsic high value of aluminium.

More recently our focus has moved to the collection of all types of aluminium packaging; we have seen a rapid expansion of kerbside recycling with almost all local authorities providing a door step recycling service for drinks cans, 67% aerosols and 36% aluminium foil More on this later!

Since the launch in 1989 the Industry has invested over £30 million and has seen a year on year improvement in recycling performance.

In 2008, according to Defra figures, 35% of **all** aluminium packaging was recycled and we estimate that 52% of drinks cans were recycled. This resulted in around 50,000 tonnes of aluminium being recycled back into new aluminium products and in excess of 450,000 tonnes of CO₂ being saved! Although the official data for 2009 has not yet been published, we believe that there was a significant increase in collection levels!

When considering this achievement it has to be put into context. Uniquely, Aluminium is almost entirely consumer packaging so must be recovered from the domestic waste stream. All other materials, perhaps with the exception of glass, have achieved their recycling performance from the cheaper and easier to access commercial and industrial

waste stream, for example plastic shrink wrap and cardboard from the back of supermarkets!

The Industry is very proud of its achievement in a UK system which is not focused on maximising the recovery of consumer packaging let alone aluminium! Today we are largely dependent on the collection systems run by Local Authorities, but local authorities currently have no incentive to maximise the recovery of valuable aluminium. They are driven by the Landfill Directive which sets weight based targets and focuses on the collection of biodegradable waste. This clearly doesn't prioritise the collection of lightweight non-biodegradable aluminium!

What about the value? Well sadly most local authorities don't actually benefit from the high intrinsic value due to the nature of their contracts with waste management companies. Interestingly Local Authorities like Hampshire, who have a profit sharing deal with their Waste Management contractor, run promotional campaigns to encourage residents to maximise the collection of valuable aluminium packaging.

If all of the 6 billion aluminium drinks cans sold in the UK this year were collected for recycling; at today's prices, they could add £76 million to cash strapped local authority coffers. In addition it would save nearly 1 million tonnes of carbon!
Bring on carbon based Local Authority targets!

What of the future?

There is no better example of a material which should be recycled both from an economic and environmental perspective. Clearly demonstrated by the fact that 75% of the aluminium ever produced is still in productive use today! The industry continues to be totally committed to maximising recycling rates and has more than adequate recycling capacity both with the UK and Europe. The issue is collection!

In the past year the Industry has launched two major new initiatives; the first to boost the collection of drinks cans consumed "away from home" and "on the go" and the second to increase the number of local authorities collecting aluminium aerosols and aluminium foil trays.

Around 30% - 30,000 tonnes – of aluminium drinks cans are consumed away from home and so are not accessible through kerbside collections.

The Every Can Counts programme, which is funded by the industry and other stakeholders including the beverage can manufacturers and WRAP is a high profile initiative which provides free collection containers and communications materials to major employers, leisure facilities etc. Since its launch, over 500 organisations have signed up to the programme and it is already demonstrating the importance of providing collection facilities outside the home. Since launching the programme in their staff restaurants last September, Asda have recovered a staggering half million cans (8.5 tonnes); on Bournemouth beach between the end of August and mid October we

recovered 400,000 cans (6 tonnes) and at last year's Reading festival around 430,000 cans (7.5 tonnes) were collected and saved from landfill!

Earlier I said that currently, only six out of ten Local Authorities collect aerosols at kerbside and less than 4 out of ten collect aluminum foil trays. This makes no sense! If we are to strive for ever higher recycling rates we need to maximise the recovery of **all** aluminium packaging and we must work to ensure that all local authorities collect the principle types of aluminium packaging. We know that this is what residents want, in a recent survey conducted by NOP, on our behalf, 80% of the people questioned said that they would recycle aerosols and aluminium foil trays if their Local Authority collected them.

In October we launched the "Aerofoil" programme, which has the objective to get 80 more Local Authorities collecting these products over a two year period. As well as providing technical support we are providing communication resources which Local Authorities can use to introduce the new materials to their residents. After only five months, we have commitment from nearly 30 Local Authorities to expand their service.

So now to put all our achievements and our future plans into perspective.

Over the past two weeks the Government has launched two Consultations designed to boost recycling performance. The first proposing new packaging recycling targets to 2020 and the second proposing Landfill Bans on specific materials, which include metals.

The Packaging Consultation is driven by the aspiration for the UK to move to the upper quartile of recycling performance in Europe. Quite a challenge for a nation that currently has a collection system which is probably in the lower quartile!

We are definitely up for the challenge, as long as future targets are fair and equitable, realistic and most importantly achievable.

As I am sure you would expect, we work very closely with Defra officials, indeed in October last year we shared with them the Industry view of what the challenges and opportunities for boosting the recovery rates for aluminium packaging between now and 2020 are. Pleasingly the Consultation included much of what we had highlighted during our discussions, including;

- Bringing the UK in line with the EU Directive and every other country in Europe and removing the 16,000 tonnes of non recoverable aluminium used in composites and laminates, like drinks cartons, pharmaceutical blister packs and ends on steel drinks cans from the reported aluminium sales figure and adding it to the dominant material of the pack. So in the case of a drinks carton - paper.
- Boosting recovery of cans consumed away from home.
- Ensuring local authorities collect the full range of aluminium packaging.
- Boosting participation and capture rates at kerbside

We demonstrated very clearly, that if we received the full support of Government and other key stakeholders and that laminates and composites very removed, as per the Directive, a target of 65% was probably achievable. We understand that our position was supported by the officials.

We were therefore very surprised when the Consultation was published it contained a proposed target of 70%! There is only one country in the EU that achieves this level of recycling without a deposit on beverage cans! Indeed to achieve this we believe that it would require recycling rates for beverage cans of close to 90%, even some deposit systems don't achieve this, and rates for aerosols and foil trays of over 50%.

Imagine our amazement when it said in the Consultation that the Industry had agreed to these proposals!

We had not!

We obviously welcome the Governments recognition of the Environmental benefits of recycling aluminium and hence its "key material" status, but question the rationale for setting targets that are neither realistic nor achievable?

Last Thursday the Government launched a Consultation on proposed landfill bans for certain materials.

We welcome the principle of landfill bans and believe that if implemented properly, and what I mean by this is "policed" robustly, together with the Landfill Tax Escalator, they will contribute to significant increases in recycling – the agreed objective.

We recognize that the desired outcome of a Landfill Ban is the pretreatment or sorting of waste prior to ultimate disposal to landfill or preferably energy recovery. This should be the case for all materials and not just those identified in the Consultation with proposed material specific landfill bans.

Rather than material specific bans, we advocate, what we understand is the preferred option in Scotland, which is a **landfill ban on mixed waste**. This would ensure the sorting of all recyclable materials before final disposal of non recyclable waste and would be surely easier to police – the EA are already widely criticized for failing to police existing regulations on pretreatment etc.

It is also essential that any Bans are not implemented until we have sufficient capacity available to sort and recover the value from waste – we have a long way to go!

So to close, I would like to ask you all to do just three things:

- Ask your local authorities if they are currently collecting aluminium aerosols and foil trays – if not why not and put them in touch with us.

- Support the setting of fair and equitable, realistic and achievable packaging targets and challenge the Minister as to why he has chosen to ignore the detailed expert advice given by the Industry and chosen to propose an “arbitrary” 70% target?
- Support a ban on the Landfilling of **mixed waste**, not the proposed material specific bans and only at a time when the necessary infrastructure is in place to ensure that materials can be properly separated.

Thank You