

Deposit return for Scotland: Good for business



What is deposit return?

A deposit return system for single use drinks containers means consumers pay a small deposit on cans and bottles, which is then fully refunded when they return it to a reverse vending machine, a shop or other facility. Deposit return systems operate in around 40 other countries and regions around the world and are proven to be effective in increasing recycling and reducing litter. They also create opportunities for business, from reducing litter to lowering tax rates.

The benefits for Scottish businesses are well worth considering as we work together to create a strong circular economy where businesses are prepared to thrive in an ever-changing world.



Manufacturers & importers

Each alcoholic or soft drink sold by a manufacturer or importer would include the cost of a deposit. This deposit and a tiny handling fee – typically a small fraction of a penny – goes directly to the deposit system operator, which then refunds the deposit straight back to manufacturers or importers. There is no net increase in the cost of products to consumers and deposit return creates a more certain supply of affordable, high-quality recycled materials for manufacturers to use.

Several different deposit return system models operate successfully around the world. Scottish businesses would be involved in designing a deposit return system that works well here and can look to other systems for best practice to adapt for Scotland. For example, in some countries, drinks containers are required to display a deposit logo; in others, existing barcodes are used to monitor returns.

Countries and regions with deposit return systems typically see more than 90% of drinks containers recycled, as well as a dramatic drop in littering of them. Deposit return in Scotland would likely have a similar impact on recycling and litter, improving our environment and communities and also reducing the reputation risk to manufacturers whose drinks containers often end up as litter.

Retailers

Retailers of all sizes have a range of options. In many places with deposit return systems, large retailers and supermarkets install reverse vending machines (RVMs), often in previously unused space like foyers or in the back of a shop. RVMs can be purchased, leased or supplied at no cost (in which case a proportion of the handling fee is paid to the RVM supplier). If purchased outright, the handling fees generated by the large volume of cans and bottles returned to them quickly neutralise any up-front costs and potentially increase product sales by creating greater footfall through stores.

Smaller retailers also have a range of options. They can purchase, lease or simply use an RVM supplied to them. They can collect empties over the counter, refuse to accept dirty empties or opt out completely if they simply do not have space. Whatever option retailers choose, at no point do they bear the cost of deposit return.

There are many advantages to retailers, including off licences. Evidence suggests customers returning empty cans and bottles to a shop often make purchases there as well, boosting sales. Any deposit on drinks containers is cost-neutral for retailers of any size, and empties returned to them but purchased elsewhere can actually create a small additional revenue for a retailer.

Catering businesses

Any business where drinks are consumed on the premises - including cafes, hotels, bars and restaurants - would see an immediate financial benefit from deposit return.

Catering businesses already collect and store empty cans and bottles for collection and recycling. They would profit from being paid a small handling fee for the cans and bottles they return, instead of having to pay substantial sums for trade waste collections, as they currently do.

In a Scottish deposit return system, a deposit paid in advance on drinks containers would be revenue neutral and bags and collections would be provided for free by the system operator.

In addition, deposit return would create a modest but reliable revenue stream that requires no additional staff time. Collections can typically be arranged at short notice to suit catering firms or businesses with limited space to store empty containers.

The role of business in a Scottish deposit return system

There are many different ways deposit return systems can be operated.

Business plays a central role in deposit return systems around the world. In Norway, for example, a private company called Infinitem operates the Norwegian deposit return system and its management board includes representatives from Coca Cola, ASKO Norge (a major wholesaler), and the Hansa Borg Brewers.

In Lithuania, a deposit return system was established by industry in early 2016.

Its management board includes the Lithuanian Retailers Association and is chaired by the head of the Lithuanian Brewers Association.

Around the world, businesses are involved in managing and benefiting from deposit return, because it is clearly beneficial to them. When Scotland designs its own deposit return system, it would be designed and operated in a way that supports the businesses that would interact most directly with it, to work as well as possible for consumers, local government and businesses of all sizes.



About 'Have You Got The Bottle?'

Launched in late 2015, 'Have You Got The Bottle?' campaigns for a deposit return system to be introduced in Scotland. The campaign is led by The Association for the Protection of Rural Scotland and includes a growing coalition of several dozen partners. They include organisations from the business, recycling, charity and education sectors, together representing around 300,000 people. More importantly, 'Have You Got The Bottle?' represents the voice of the nearly 79% of people in Scotland who said they would like us to have our own deposit return system.

www.haveyogotthebottle.org.uk



Association for the Protection of Rural Scotland
Charity Number: SC016139
Address: 483 Lawnmarket, Edinburgh EH1 2NT
Email: info@ruralscotland.org
Tel: 0131 225 7012

