

Environmental Audit Committee

Oral evidence: [Chinese restriction on imported waste](#), HC 741

Wednesday 31 January 2018

Ordered by the House of Commons to be published on 31 January 2018.

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Members present: Mary Creagh (Chair); Colin Clark; Glyn Davies; Mr Philip Dunne; Zac Goldsmith; Mr Robert Goodwill; Kerry McCarthy; John McNally; Dr Matthew Offord; Alex Sobel.

Questions 77 - 184

Witnesses

[I](#): Dr Thérèse Coffey MP, Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs, Chris Preston, Head of Waste and Recycling, Department for Environment, Food and Rural Affairs, and Marie Fallon, Director, Regulated Industry (Environment Agency).

Examination of witnesses

Witness: Dr Thérèse Coffey MP, Chris Preston and Marie Fallon.

Q78 **Chair:** I am delighted to welcome the Minister here with us today. For the purposes of the record, could you introduce yourselves from left to right, please?

Chris Preston: I am Chris Preston. I am the Deputy Director for Waste and Recycling.

Dr Coffey: Thérèse Coffey, Environment Minister.

Marie Fallon: Marie Fallon, Director of Regulated Industry with the Environment Agency.

Q79 **Chair:** Lovely, thank you. You are all very welcome. Minister, perhaps I could start with a question to you. When we heard from the Secretary of State on 1 November, we asked him about the China waste ban. He seemed blissfully unaware of it, had to be passed a note from his official sitting behind him, proceeded to read it out to us and then confessed he had not given it sufficient thought. Was that the first time he had heard about it?

Dr Coffey: I know when I first heard about it. I would hope that the Secretary of State has confidence in his junior Minister to work with officials to get on top of the detail and sort these kinds of issues out.

Q80 **Chair:** But also to brief him about a looming crisis in our waste industry, surely? Had you personally briefed him on this matter before he came to us?

Dr Coffey: Had I personally briefed him? I do not recall personally briefing him, but I challenge the view that it is a crisis affecting the industry.

Q81 **Chair:** We will hear some industry comments on that. Surely, as a ministerial group, you meet on a weekly basis. Was this not something you thought to flag with him?

Dr Coffey: As I say, we are set to work together. Chris Preston is the responsible official. We had a discussion about what to do. We started then working across Government, because there are formal notifications about engaging our embassy in Beijing to do an informal element. In reality, the EU is our spokesperson at the WTO. It was about working with the EU and our Department for International Trade to go through the formal process, because we believed it was worth challenging through the World Trade Organisation.

Q82 **Chair:** You have relied on our membership of the EU to raise this at the WTO. We heard from the industry yesterday that they felt that Government had taken their eye off the ball in terms of developing a home market for these goods. Would you agree that is correct?



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Dr Coffey: I would not necessarily agree with that. As you are aware—and the Secretary of State announced formally last year in his WWF speech—building on work that had been crystallising, we were planning a new resources and waste strategy as part of the clean growth strategy. We articulated the need to create better secondary markets for a lot of materials. At the end of the day, countries like China, Turkey and Vietnam buy this plastic waste product from us because it has been valuable to them in creating products that they then sell back to us. That is the nature of open markets.

Q83 **Chair:** Have you raised this with your colleague, Liam Fox, or with the Prime Minister? The Prime Minister arrived in China this morning. Liam Fox arrived in China on 2 January. Has this been raised at the highest levels with the Chinese Government and if not, why not?

Dr Coffey: To some extent the ship has sailed. China is perfectly entitled to decide that it is going to—

Q84 **Chair:** That is a no? You have not raised it with them to raise with the Chinese Government directly?

Dr Coffey: No.

Q85 **Chair:** No. This is a \$219 million per year export in plastics and \$700 million per year export in paper. This is £1 billion worth of export. It is not all going to China—it is going to the EU and it is going to other countries—but this is £1 billion worth of UK trade. It is only seen as rubbish but it is still a significant part of our export.

Dr Coffey: I think, if it were seen as rubbish, we would be paying other people to take it off our hands. It is not. It is trade. The estimated export value of the plastics particularly to China is estimated at about £85 million. We export far more paper than plastic. Of the 3.7 million tonnes of plastic waste generated about 8.8 million was exported to other countries around the world and 0.4 of that to China, including Hong Kong. That has fallen from previous years. We have seen something like a 30% reduction since 2010. Other markets have grown—places like Turkey. What the market has shown is that other countries have decided to take some more of that waste, but a lot of this will depend on the market price.

Q86 **Chair:** We visited a recycling centre in East London last week. What the market told us there is that contaminated paper that was selling for £100 per tonne before Christmas is selling for £20 per tonne this week. The market has an oversupply and lack of demand because of the closure of the China market. This could soon feed through into gate fees and council tax bills. What is your response?

Dr Coffey: To be clear, places like Germany have been exporting more waste to China than us.

Q87 **Chair:** And the US.



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Dr Coffey: And the US. We are not passing it on to the EU; the EU is the representative of the member states at the WTO. Of course when we leave the European Union we will have our own seat at the WTO. That is the appropriate forum when it was believed that the way that the Chinese Government had gone about it was not appropriate. That was the right forum to do it.

What we are not clear about yet—it is too soon to tell—is whether this is a temporary reaction to the glut. There is a glut of material on the market and that has reduced prices. Is that going to be structural? It is too early to tell. As I say, other markets are taking up some of these. I expect there will be a price realignment. There certainly has been in the short term. That is why we are seeing people holding on to stock here; waiting to see what is going to happen with the prices. One of the priorities for the Environment Agency has been to make sure that, dare I say it, permits are respected. We are more worried about the paper that is being stockpiled than we are about the plastic.

Q88 **Chair:** There is far more of it and there is obviously a fire risk.

Dr Coffey: Yes.

Q89 **Chair:** We heard from the British Plastics Federation that they warned DEFRA of an impending crisis in China as early as 2012. There has been the Green Fence initiative and before this, the Sword initiative. How did DEFRA address the British Plastic Federation's concerns back then?

Dr Coffey: I have to say that is news to me. I did come into the post 18 months ago but that was not there. We should also be clear that China has not banned all forms of plastic import. There are certain kinds of plastic—the post-consumer. They have tightened the contamination standards and there are other materials affected as well—scrap metals and so on.

I am not aware of that. Chris, I do not know how long you have been in post but are you aware of this?

Chris Preston: Not since 2012, no. In terms of China's tightening restrictions, that is probably true to say. The market has adjusted. Bear in mind this is an open market. There is an extent to which Government can create the framework for how those markets operate. We have done things like improve the quality of information available around the quality of recycling, that kind of thing, but the speed with which the Chinese implemented the changes was much faster than anybody, including the industry and Government, I would say, to some extent, expected.

You asked if we have engaged with places like Beijing, if we have engaged with others. At an official level we certainly engage with the Department for International Trade. We certainly engage with our embassy in Beijing to make sure we understood what was going on and to gather intelligence to get to work with Chinese authorities around things like enforcement and control. Back in December we got feedback



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on how the Chinese authorities were going to enforce the ban. That was a really big issue for the industry. To be honest, there was a lot of uncertainty about China's proposals, which made it very difficult for industry to plan and know whether their products could meet the new contamination rates. I also understand the Environment Agency is out there probably—

Dr Coffey: Now.

Chris Preston: —now talking to Chinese authorities about how the ban is going to be enforced.

Q90 **Chair:** It is a ban? It is not restrictions?

Dr Coffey: Some are simply not being accepted any more, while other elements are. Chris has the full detail of the different materials. I think there are 24 materials in total?

Chris Preston: Yes, 24 materials banned and then tighter contamination levels on other materials. Again, that was another area of uncertainty for business because China's original proposals were for a 0.3% contamination rate, which would have been very challenging for the industry to meet. Those rates are now around about 0.5% to 1% depending on the type of material.

Q91 **Chair:** Just to be clear, it is \$1 billion of our export and we have Ministers and the Prime Minister over there at the moment, but you do not think, Minister, that it is worth having a chat with the Chinese Government about?

Dr Coffey: As I have articulated, our estimated value of the plastic exports is about £85 billion.

Q92 **Chair:** So we can afford to just shrug and move on and find somewhere else for that? It will be less, will it not?

Dr Coffey: I think that the ship has sailed and China is enforcing the rules that they have set out, which they are perfectly entitled to do.

Q93 **Colin Clark:** I just have one point. You said that the Secretary of State became aware of this in this Committee on 1 November. You then said you know when you became aware of it. When was that, that you became aware of the problem yourself?

Dr Coffey: I was alerted on 20 July. Then we met as a group with my officials and that set off the work across Government.

Q94 **John McNally:** Minister, you had meetings with industry stakeholders in September 2017 in which you were invited to take action, but industry stakeholders have described the Government action as woefully insufficient. Can you outline some steps or agreed actions that you have taken with the Environment Agency, SEPA or the Department for Trade following this meeting?



Dr Coffey: I think we have been handling it rather well. As Chris explained, we have been seeking to gather more certainty about what the impact of the proposed ban from China was. The EA has been working on its side, as I say, working with sites and also the management of the whole process of that side of the export. We have not had a single local council contact us. We did outreach there with their representative bodies. I would say there has been an ongoing dialogue.

I understand why industry is concerned because there was a huge amount of uncertainty, and that is why we have been diligently trying to get as much clarity as possible in order to inform industry of the changes. Meanwhile, as I say, we have seen people make sure they get into other markets. There is a downward trend with China. I am always happy for us to try to help industry if there are specific needs where they need help to access other markets, but they have all been—

Q95 **John McNally:** It is just the timeline, Minister. This was September 2017 and all this is coming into force by March. They were asking for urgent action. I would just like some clarity on where this urgent action is taking place.

Dr Coffey: As I articulated, a lot of what they were looking for was more clarity on what that did. Of course there will be some parts of the industry who say, “We need instantly more capacity in this country right now.” The industry can come forward with their own capacity if that is what they wish. Meanwhile, there are other markets that have been accepting this waste and we have been trying to facilitate, as best we can, the knowledge of how the industry can respond. I am not sure there is anything particularly more I can add.

Q96 **John McNally:** I mentioned if there were any particular conversations with the Environment Agency, SEPA or the Department for Trade because they have been involved in the discussions. I wonder if you had had a—

Dr Coffey: Well, Marie, do you want—

John McNally: What I am trying to get at here is, if you are doing some actions with them, where you are going. I would quite like if possible to hear what they are.

Marie Fallon: Perhaps I can help. My teams and Chris’s teams have been working together for some months when we were aware of this potential issue. Like we say, we have been trying to understand and get clarity around what the restrictions mean in terms of the permits we regulate, and also working with the industry themselves. We work with a number of the trade bodies, many of whom were here yesterday: the Environmental Services Association, the Chartered Institute of Waste Management and so on. What I was really keen to do was to understand from them the challenges they faced within their sector. What intelligence did they have from their members? They will obviously know from a commercial perspective what was happening in the market because it is a global market.



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For my own team, I wanted to make sure that we understood what was happening on the sites with the producers. We know where the producers are that we regulate in terms of the permits, and what we have been able to do is to give further advice and guidance to our teams on the ground. We have also then been able to understand where the waste is going to and from in the areas that we regulate. Obviously we do not regulate everything but, in terms of the areas we do regulate, what we have been trying to do is to understand where those waste movements are going. We have then been able to work with the sites. I think the concern that has been raised by industry is about stockpiling and whether the sites have sufficient capacity.

Now, you will all know from your own constituencies the challenges we face when we have waste sites that are often close to residential properties. Our first priority is to understand the risks around the management of sites and to make sure that they are operating within their permits. We have been able to give guidance to our staff at a local level, in case they are approached by any operator about an increase in their permit size in terms of the waste they store.

We have created a network among our officers to get very quick intelligence back. We are not hearing anything specific in terms of requests. However, that is not to say we are complacent because we recognise the market can change. Obviously we have seen alternative markets come to the fore recently but they are starting to get capacity, so we may see that increase. Our role is very much to make sure that the sites that are asking for additional capacity are appropriate and are not going to create any risks. You probably know of our work around trying to reduce the risk of fire and that is obviously a concern with paper. We are trying to manage that down. I am confident at the moment that we have the right intelligence and we are working with the operators and the trade bodies. If there is any feedback from trade bodies on a national scale we will be able to capture that.

Dr Coffey: You issued some fresh guidance. Was it last month? It was so that people are clear on the obligations they have. That is the kind of thing, as I say: giving clarity to people the best we can from the information we can ascertain, either directly or through the EU.

Q97 **John McNally:** One action point from the meeting was to contact the Chinese directly in order to scope out potential scenarios for each affected material. Did DEFRA do this and, and if so, were the potential scenarios for each material discussed with the industry?

Dr Coffey: I know there was informal contact through our mission. I will turn to Chris to understand precisely because I did not see the minutes of that particular meeting. I trust my officials to follow up.

Chris Preston: We focused mainly on the two most affected materials, plastic and paper, because that is potentially the biggest risk to human health and the environment if something happens with those. That is



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where our attention has been, but we have carried out analysis on the size and scale of the problem across all the materials.

I am not quite sure I understand the question. Are you asking whether we talked to industry about what they were doing in terms of finding alternative markets, or if there was something they would like—

Q98 John McNally: It is to scope out potential scenarios for each affected material. That phrase is “potential scenarios”. You are telling me you have scoped out all the potential scenarios for the eventualities that might happen here?

Chris Preston: For sure. This is why it is important to understand the scale and nature of the banned materials, so that you can decide what the response is going to be around that. The UK exports something like 3.7 million tonnes of paper to China. As the information about what the ban might entail became clearer and more available, something like 1.1 million tonnes of paper is mixed paper and that is automatically banned. There is potentially an issue around that. We need to think about what the impact of that might be on local authorities, on waste operators and on waste sites.

Again, part of this is about managing those waste sites to make sure that the risk to human health and the environment is minimised, and at the same time talking to industry about what plans they have and what they were doing to open up new markets. We analyse the data as well, tracking data and information with unfortunately a slightly bit of time lag. It is not real-time data because some of it is input by industry itself. We do not always have real-time information but we tracked what was happening and looked at where new markets were opening up, some new markets for paper and plastics as well. What we have seen is that the industry has responded over time.

As I say, our immediate response was first to try to understand what industry thought about and what they would like Government to do. This is really important. In our conversations with industry I did ask the question, either privately or in one-on-one conversations, “Is there anything you particularly want us to do?” The big thing that came back from that is making things better for the future; for example, our Waste and Resources Strategy, looking to that for the future. This is a short-term issue that needs to be managed but this is what we want you do in future, and it is produce a Waste and Resources Strategy.

Q99 John McNally: Do you think that the response to the China ban can be guided by the industry alone or does the Government intend to provide direction? When I was reading these things it reminded me of Pierre Trudeau. He talked about America and he said America is an elephant beside him and when that elephant moves over we have a reaction. In this case I think China is the elephant in the room and I would hope that we would be a cheetah and not a sloth.



Dr Coffey: As alluded to earlier, and as I have mentioned in previous inquiries, we are working on a resources and waste strategy and there is a clear desire to stimulate secondary markets. Particularly I am thinking here of the plastic side of life.

It would probably be worthwhile just explaining contamination. "Contamination" gets used in two ways when we talk about waste. One is what you would expect, the dirt. The other bit is about, in effect, different grades, and that is where you end with the concept of mixed waste being considered contaminated, with different grades of paper or whether you keep plastic windows, stuff like that. In the past a lot of that could just be sent off and somebody else would process that for you. That is the kind of restriction that also gets called "contaminated waste". It is perfectly clean.

I am conscious of the increasing desire to see our resources and waste strategy. That is why I am very pleased that we are continuing to make progress, but we are not ready yet.

John McNally: Thank you. I am happy with that but we are a huge exporter to China. We do not want a worst-case scenario and you can see it coming.

Q100 **Colin Clark:** This is the supply side. I cannot quite understand the demand side. What is China doing for raw material to make carbon paper at the moment? That leads on to where this is going and how long this may last.

Chris Preston: This is based on what I read around the industry and talking to the industry. For things like plastic it looks like plastic operations in China are relocating to other countries in the surrounding South-East Asia region. They will probably take some of the plastic from the world, which will then be processed and sold on into China, but there may well be a shortfall. They may well turn to more virgin material for production of some of their products. That is only speculation but they took about 50% of the world's plastic and paper, so there will potentially be a gap.

Again, talking to the industry, I am not an expert on building and making paper mills. but it is probably easier to move a plastics recycling facility than it is a paper mill, which is much bigger. Again, reading the trade press around it, the price of paper and things like cardboard boxes is allegedly increasing. That is just what I have read in the press about the impact of paper prices in China. There is possibly a knock-on cost to that but that is based on press reports, not deep analysis done by Government.

Q101 **Colin Clark:** If we have heard anything from our recycling industry here and what we have seen at the plant we visited, it is that the standard of what we are sending is probably among the highest, so their only alternative is to use virgin stock material to produce carbon in the future.



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Chris Preston: Or material from other countries and the surrounding region that has been sorted to meet the new standards, or from the UK as well if we ship materials that meet that. Bear in mind mixed consumer plastics are affected as well. That is basically stuff that we throw out from our houses. However, you can also have post-industrial plastics—say off-cuts from factories—some of which they have set lower contamination levels for; that could still be shipped. Again, there is uncertainty for the industry because we are not quite sure how that will be enforced on the Chinese side, which is why the Environment Agency has gone out to try to understand what it means in practice for our industry.

Dr Coffey: It is one of the risks, of course, of having a persistently low oil price.

Q102 **Colin Clark:** Yes. It is as much about economics.

Q103 **Chair:** I am sure that will be addressed in your resources and waste strategy. When was it announced and decided that would happen? Was it after this ban was announced?

Dr Coffey: No. I cannot remember when Michael's speech was but this has been preparing for some time. It is quite significant, what we are trying to change. Yes, there has been a change of Secretary of State. There has been a change of Ministers in other Departments. It is taking longer than perhaps we would all have loved to have done, but it is important we get it right because I think it is going to be quite a radical shift.

Q104 **Chair:** When was the speech? Do we know?

Dr Coffey: I cannot remember.

Chris Preston: 27 July. It was his "unfrozen moment" speech to WWF.

Q105 **Chair:** The ban was announced before that?

Chris Preston: On the 18th—

Q106 **Chair:** A week earlier?

Dr Coffey: The two are not linked.

Chris Preston: On 18 July.

Q107 **Chair:** It is pure coincidence.

Dr Coffey: Absolutely.

Q108 **Chair:** Especially because he was totally unaware of it until he came to this Committee on 1 November, as we have recently established.

Dr Coffey: I recall him saying he had not given it sufficient thought. I am not sure he said he had not given it any thought.

Q109 **Chair:** What assessment have you made about the reduced import



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licences for cardboard and what effect this could have on UK recycling? What do you think is going to happen?

Dr Coffey: I am not sure I quite understand your question, sorry.

Chair: There are fewer licences. There is this 1.1 million tonnes. It is a bit of a follow-up from Colin's question. There was 3.7 million tonnes of paper. Now 1.1 million tonnes of that is simply not going to go there. How is this going to percolate through into our recycling industry?

Dr Coffey: The industry has to consider whether or not there are alternative markets for that. My understanding is that they have been able to start to find some markets. We recognise that there is stockpiling happening at the moment, while people are adjusting their business models, but I am still not quite clear I fully understand what you are getting at.

Chair: We will move on to the stockpiling question and I am sure the answers will emerge.

Q110 **Colin Clark:** Just on that, we have heard that recyclable material has been stockpiling since October, which you have just said, Minister. What assessment have you made of the storage capacity in UK facilities?

Dr Coffey: My understanding from the EA is that we believe we have sufficient capacity to do that. I know people are very conscious that there is this idea we will just burn everything if we run out of capacity. Clearly that is better than landfilling the waste, but I thought our assessment was that we are okay at the moment.

Marie Fallon: Yes. A permit will have a capacity of the site and it does not always mean the operator has the site filled to that capacity. There is always movement around the capacity in the UK, and I guess that is what we are talking about here. In terms of that capacity, at the moment we are not seeing a dramatic request for extending capacity limits or stockpiling on sites.

Q111 **Colin Clark:** Is there enough capacity for material that has been affected immediately by this ban?

Marie Fallon: That is what we are seeing. We are not seeing anybody coming in and saying, "We need to suddenly expand our site by 100%."

Dr Coffey: At the beginning of this month, NAWDO issued a press release saying they do not think they are seeing quite the level of stockpiling that perhaps was forecast was going to happen. That is just our concern, and that is why the EA have added resource to be alert and on top of the issue.

Q112 **Colin Clark:** Following on from that, if there is a risk it is of fire and obviously the EA will be checking that. What assessment have you made of the risk of fires because of the stockpiling?



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Marie Fallon: On every site, if it has a particular requirement for a fire prevention plan, it would have to provide that to us. There are certain sites we consider to be a higher risk than others because of their location or the particular materials they are storing. We require them to provide us with a fire prevention plan that sets out what they would do in case of a fire and their mitigation measures. It might be about reducing the amount of waste on the site if the risk is too high. Then if we are seeing increases in the amounts being stored, over and above their permit, we would obviously take action against the individuals and try to prevent it. We can suspend the notice and stop the operator taking waste on, but that is obviously a last resort. Obviously, what we try to do is work with the operators and that is why we have been trying to ensure local staff are fully briefed on what they need to do and give us any feedback at a national level.

Q113 **Colin Clark:** Is there an increased risk of waste crime and what are you doing to regulate it? If it is building up, people might use other ways of getting rid of it.

Marie Fallon: The organisations or the companies that tend to export tend to be the more legitimate companies. That is not to say we do not see illegal activity in exporting. We do significant checks at a number of ports around exporting but that is very much on an intelligence-led basis. We have lots of means of finding out what is happening with waste, working with other agencies, HMRC, Border, the police and so on. We are able to do targeted inspections, which we have found to be very effective. We have stopped exports going out of the country and sometimes they have had to be repatriated, working with the shipping lines around that.

Waste crime is the nature of the industry in some aspects and that is why we are working with the Department and other colleagues to try to look at ways to reduce waste crime. We are having some impact on that. We have had additional resources in the budget to support us in that work and we will continue to do a lot more work to try to reduce it. I think it is the inevitable fact: as they say where I come from, "Where there's muck, there's brass". People make money from waste. We have to try to do our best to reduce it. We are very effective but it is an ongoing challenge for the industry and for ourselves.

Q114 **Zac Goldsmith:** Just a quick one, while we are talking about capacity. I just want to know whether or not you are aware—that there is no reason why you should be—that the Lakeside Energy from Waste plant, which takes in around 430,000 tonnes a year of waste from 12 London councils, about 4% of the UK's non-recyclable waste, is going to have to close down to make way for the third runway if it happens, which I highly doubt? If it were to happen, you would see the required closure of one of the biggest waste plants in the country. I wonder whether or not, given this additional pressure that has arisen as a consequence of China's policy, that that is also on the radar. It is a very significant piece of capacity that would be lost and there is no idea where it would go.



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Dr Coffey: You are right to say it is a significant amount. It was not part of my thinking in preparing for this session but I am sure that the Secretary of State for Transport will be made aware. The National Infrastructure Commission is assessing major infrastructure needs including that for waste. Given that they have huge interest in the future of aviation, we will make sure we alert them as well. Thank you.

Q115 **Chair:** Just to come back to my earlier question on the Chinese licences, we heard yesterday that China has only issued import licences for 10% of the tonnage of cardboard that it has previously accepted. Is there any indication from them whether that is going to be it or whether it is going to be done on a month-by-basis? What is your intelligence?

Dr Coffey: It is still not clear. In fact, I asked for us to check this out. We still do not know the answer to that. We do know that some other markets are starting to take paper, like Vietnam and Malaysia, but we are not clear on the situation on that with China.

Q116 **Chair:** We have two of your colleagues over there, the Prime Minister and the Trade Minister, but we do not think it is worth raising this multimillion pound industry at the highest levels? It just seems a missed opportunity.

Dr Coffey: I note your concern.

Chair: All right. We will move on.

Q117 **Alex Sobel:** Moving on to local authorities now, what assessments have you made of the falling price of recycled material and its impact on local authorities?

Dr Coffey: This is a recent situation. We are conscious the market price has fallen but, as I say, there has been a global glut. No council proactively contacted us. We wrote to the other 245 authorities, I think it is, and we are engaging with the Local Government Association, with NAWDO and LARAC and so on. My understanding is that companies are still taking this off their hands. It is that intermediary. At the moment, councils are still passing their materials on. We just need to wait, I am afraid, Alex, to find out whether this is a permanent change or a temporary glut. It is not feeding through yet, that we are aware of, and affecting local authorities, but of course it is something we are sensitive to. I know Chris has done some more work on this. Would you like to add some more?

Chris Preston: The impact on local authorities will depend on the nature of the local authority's arrangement with its waste provider, either in-house or contracted out. That does add quite a significant level of complexity to trying to model an analysis to understand what that impact will be. For example, if a local authority has contracted out to SUEZ we know that SUEZ has made public statements that they no longer ship paper or plastic to China, so you would expect that local authorities served by waste services from SUEZ would not be affected. We do not hold centrally that kind of information. It is a case of gathering as much



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information as we can to properly understand what the impact is going to be. Some local authorities may have deals with domestic reproprocessors and so are potentially not affected, but there is a knock-on effect because that domestic reprocessing could be displaced by stuff that previously went to China. It is a very complicated model, which is why we have contracted local authorities to gather that information so that we can get real-time rather than modelled information and can respond and work with them on a proper response. That is a broad answer to that.

Q118 Alex Sobel: If it does feed through into a permanent drop in price and it affects the model that local authorities work on, can you envisage providing local authorities increased funding?

Dr Coffey: I can genuinely say that it is not a matter where I can give you any answer at all. As you know, the whole concept of local government finance is shifting to business rates and so on.

Q119 Alex Sobel: Right, I understand that. In terms of the public perception of this, obviously we have had Blue Planet. Particularly around plastics, there is a much bigger public understanding of what happens to plastic. If local authorities change their patterns and public confidence is lost in terms of what they do when they put their plastics and other materials in the recycling, what steps are you taking to ensure local authorities do not have to take a backwards step in recycling collection because of loss of public confidence in the service?

Dr Coffey: Clearly, we want councils to continue to do what they can to increase the amount of recycling that happens with their residents and businesses. I do not think people are linking that with this concept of China no longer wanting to buy certain kinds of waste from UK markets, or that it should in any way deter people from thinking that they still need to do the right thing.

There might be a benefit that we are able to say to consumers and residents, "Take even more care with how you recycle and what you are doing," so that the quality of the recycling gets higher. That is what helps councils and indeed other processors get better return, if the quality of the product that they are selling is higher. Somewhere like Clean Tech in Lincolnshire will show you the average sort of bale you get from the intermediary on behalf of a council or direct from a council, and what it is in some other parts of the European Union. We need to be a lot better. It may well be sensible for us to take the opportunity to alert consumers that the more they do to make sure that the recycling they put out on their doorstep—and I genuinely hope in the future that will include Rotherham, with their plastic bottles—the more they will help their own councils get more money, which will help them with the collection service and potentially their council tax.

Q120 Alex Sobel: You said, "It may be sensible." Do you have any plans to do that?



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Dr Coffey: I must admit it has not been my top priority to think about how we take this particular situation and turn it into a recycling communication campaign, but it has given me food for thought.

Q121 **Chair:** Is this something you have raised with your colleagues in the Local Government Department, the DCLG, in any formal way?

Dr Coffey: I have not at ministerial level. I have spoken with LGA people directly. I do not know at an official level if we have.

Chris Preston: On all matters waste and recycling, because HCLG is the lead Government Department for local government, we would always discuss any matters relating to this, including China, with them.

Q122 **Zac Goldsmith:** You will be aware, not least from the evidence we have had, that industry and environmental groups are worried that the oversupply of recyclable material will result in more landfill. I am wondering what can you and what have you done in terms of sending regulatory signals to prevent that from happening?

Dr Coffey: Industry is aware that we are preparing a resources and waste strategy. They are aware of the signals that we have put in, in things like the clean growth strategy and the 25-year environment plan about improving the secondary markets for materials. They will be aware of quite a lot of the different speeches or contributions that have been made. We are considering whether we should set regulatory limits on the proportion of recycle going into materials. They will be aware, from the 25-year environment plan, of our plan for zero avoidable waste. I would hope that there is enough out there for them to recognise that there are going to be some quite radical shifts.

Q123 **Zac Goldsmith:** Do you think that has been factored in already by the industry? How much of an idea do you think the industry has as to what those regulatory shifts might look like?

Dr Coffey: I expect you will get a mixed opinion from industry. The savviest ones are seeing it and are seeing changes. As you are aware, we have this group looking at the whole business about the recycling of plastic bottles, cups and so on. The challenge about a lot of these things is that we need to get the resources and waste strategy right, rather than too much drip-feed. I do not want to give too many misleading signals. We are thinking about a number of different ideas. Those are well-known by the industry. What I think is fair to say is the industry is very keen and would like us to finish our resources and waste strategy as quickly as possible.

Q124 **Zac Goldsmith:** Surely one of the ways to minimise the risk of contamination—and by that I do not mean chemical, I mean “contamination” in the sense of weakening the recycling stream—is to restrict the choice that is available in terms of the different plastics that are usable. That is something that I think the Secretary of State has mentioned in various forums, and I think you have as well. Is that



something the industry is taking seriously?

Dr Coffey: Yes.

Q125 **Zac Goldsmith:** Do they think that will happen?

Dr Coffey: In particular, you will be aware of the call for evidence by the Treasury that we are working on with them about charges and levies on single-use plastics. There are seven plastic categories, a variety of different things, some of which are very significant and can be easily recycled; others are difficult, frankly. They can be done but it is not always straightforward—glasses or whatever it is.

In particular, on things like the black plastic and other kinds of plastic when it comes to food, the Co-op is leading an industry group where they are looking at trying to reduce the number of polymers that are used and therefore make it much more straightforward to recycle a number of these products in the future.

Q126 **Zac Goldsmith:** We have heard from Ecosurety, who are compliance specialists. They have told us, and this is a quote, “The UK is nowhere near ready to recycle the additional plastics at home.” Do you agree with that?

Dr Coffey: I do not know who Ecosurety are. I would suggest that we have a variety of infrastructure in this country. Chris knows I get infuriated somewhat when people just say, “Black plastic cannot be recycled.” It can be. It is whether or not people are prepared to put the investment in with the detectors and so on.

I would accept that the level of capability we would like is not as widespread as we would like.

Q127 **Zac Goldsmith:** One more question. What regulations are in place to ensure that packaging export recovery notes are not given out for unrecyclable materials?

Dr Coffey: That is where my expert comes in because it is her job.

Marie Fallon: At the end of the day, it is the exporter’s responsibility to make sure they comply with their package recovery notes. Obviously what we do is we have a process of checking the information on those notes and we have a relationship with other countries where we know they are going to be assured that the regulatory standards are equivalent to what they are in the UK. It is a relatively small part of our work now that we have well-connected links around the world. It is not an area I am as worried about compared to some of the other parts of the business.

Dr Coffey: I am aware of complaints from the industry that they feel there are different standards.

Q128 **Zac Goldsmith:** There are different standards. What are the penalties?



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How common is non-compliance?

Marie Fallon: It is not as common as in other parts of the waste industry, and where it does occur we are often able to work with the exporters around it, but we have taken action against them. It is very rare.

Q129 **Zac Goldsmith:** Sorry, what are the penalties?

Marie Fallon: Ultimately, prosecution of a company.

Q130 **Zac Goldsmith:** There have been prosecutions?

Marie Fallon: There have been, yes; not very many. I can certainly provide details of that if the Committee would like further details.

Q131 **Zac Goldsmith:** Thank you. Finally, if PERNs are given for contaminated waste does that mean the calculation of UK recycling targets is based on the inclusion of unrecyclable waste? Is that correct?

Dr Coffey: Chris, do you want to say something?

Chris Preston: They should not be issued for contaminated waste. That is the point. To ship waste on that basis would be wrong; fraud, in fact.

Q132 **Chair:** China has banned it because it is contaminated. Obviously a percentage of what we are sending is contaminated and is not recyclable, even in China with their much lower labour costs. That is the point we are trying to get to.

Chris Preston: It is also mixed plastics as well, rather than just contamination. It includes things that would have been perfectly acceptable before, that might have been 100%. All mixed plastics are no longer allowed. This is a regulatory issue so Marie might have to correct me but, in terms of the consignment notes that go over, it can often say the splits of different types of material on there as well.

Q133 **Chair:** Would that be things like coffee cups with the paper and then the plastic, that would be not contaminated but mixed paper and therefore unrecyclable? We are saying it is recycled even though it is not really.

Dr Coffey: This is why Environment Agency has taken action to produce the guidance to potential exporters to say these things can no longer be exported to that particular market.

Q134 **Chair:** Are coffee cups included in that guidance?

Marie Fallon: They will be, yes. When you have plastic there is a level where are things like glue and things that adhere to the plastic. That is where the de minimis arrangements come in and although we do not specify what it needs to be, obviously that is where we would work with the companies to do the inspections to make sure what they are saying on their consignment notes is correct in terms of material they are exporting because obviously you cannot take everything off a plastic



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item. It is about reasonableness but it is about trying to minimise the amount of contamination that would be in an exported material.

Q135 **Chair:** Do you have any oversight about what happens to that stock when it ends up in the end market in terms of whether or not it is recycled?

Marie Fallon: We do in terms of working with our equivalent regulators in the destination countries, so where it goes to we have a reciprocal arrangement with the regulators over there in the same way as if waste is coming here. They will contact us if they had any concerns.

Dr Coffey: I was about to say it is a two-way, because I think you have told me in the past about where some countries have said, "That place; do not send your waste there."

Marie Fallon: Yes.

Dr Coffey: And if the consignment notice tries to suggest it can go there, that is where it is stopped. You cannot send it to re-processor A because they are no longer declared fit for purpose by their own regulator.

Marie Fallon: We have refused consignment notes on that basis that we do not feel the destination is fit.

Q136 **Chair:** Have you ever come across examples where car engines are put in, for example? I heard that. Or paper is watered to increase its weight before it is used.

Marie Fallon: There are all sorts of tricks that are tried to pass off recyclers. Chris and I visited the site at Felixstowe. We saw some of the interesting arrangements that exporters try to get round the legislation. That is why I say we work very closely in terms of intelligence-led and we are able to try to prevent that happening. Inevitably, there will be some that will get round us but I think I can reassure the members here that we do take a proactive approach on a risk basis to try to reduce that, and we are very successful working with other regulators to prevent that happening.

Q137 **Chair:** What sort of creative approaches were they using?

Marie Fallon: For example, one of the things we were doing recently was using smart water on waste that is maybe illegal waste to be able to track it if it is moved. We also have tracking devices on waste so that we can see where it ends up around the world, and working with other law enforcement agencies to track that waste so that, where we suspect there is illegal activity, we are gathering evidence to help with any future prosecutions.

Chair: Excellent. Thank you.

Q138 **Mr Goodwill:** In the Secretary of State's written ministerial statement addressing the China ban, the emphasis was on finding alternative export



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markets for waste. We have heard that the world's recyclers are attempting to pour a pint into a half-pint glass. Is exporting waste a sustainable long-term solution, both environmentally or, indeed, economically?

Dr Coffey: The Secretary of State has also talked about reducing plastic. I was thinking of the Prime Minister in the 25-year environment plan talked about tackling zero avoidable waste as our target and the element about plastic waste by 2042.

Zac Goldsmith: Does that make him the Chancellor?

Dr Coffey: I am just skipping ahead in my brain, I am sorry. Not to any future scenario but just compressing two sentences into one. Sorry about that. The Secretary of State has talked about less plastic in effect within our consumer and retail and other environments. That is one of the things, as part of the broader plan and one of the things you have just referred to, Zac, is about how we get, in effect, fewer polymers and fewer different types of plastic so it is more straightforward and easier for it to be recycled.

As I have articulated before, pretty much any plastic can be recycled but it is often not worthwhile economically to do so. Either it is very lightweight or it has to be transported to a particular place and so on. Where I was going with that is that we have been exporting more because people still want our plastic waste, but I believe we will be in a situation—we are working on aspects of this with the resources and waste strategy—where we desire to have less plastic in the first place. If we can grow our capacity at home in an economic fashion that is good news. But, at the end of the day, we still believe in open and free markets.

Q139 **Mr Goodwill:** Obviously there are other export markets open for waste still but there are fears that other countries may bring in restrictions and, indeed, even if they do not, logistically the empty containers are going back to China to be filled with Chinese goods so there will be additional costs there. How can you future-proof the UK recycling industry for this possibility that other export markets will be cut off from us?

Dr Coffey: I think there almost always certainly will be a market. The reason why people will export it is if they get a better price, I expect, from what they can get in this country at the moment for certain kinds of different waste. That is not unique to plastic or paper where countries' economies add value to the reprocessing of waste. We have a certain amount of industry that can cope with that and we export a certain amount but we are processing a lot at home too.

Q140 **Mr Goodwill:** When you say "add value", is it basically predicated on the fact that they can employ people on much lower wages and in much worse working conditions, so are there real ethical concerns about alternative markets? Have you offered any guidance to the waste industry on which end markets will be acceptable in terms of their working conditions, and do you intend to make this information available



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to the public?

Dr Coffey: I have not explored that. I am not suggesting in any way that we should have this as an exploitation. For different reasons often it is better to reprocess where the origin of the product is, so it may make sense for a lot of waste to go to the market there or next door to where it is going to be used again to generate new material. The markets work in different ways. It is a global market.

Q141 **Mr Goodwill:** Do you think it is possible to carry out some of this work here in the UK, given our working conditions, given that more and more councils are mixing waste to up their recycling targets? Do you think there is a viable prospect of doing this manual type of work here in the UK at all?

Dr Coffey: You will be aware that, in certain parts of the country, it is a challenge to get any labour at all domestically. I do not pretend to want to try to dictate how waste processors run their businesses in this country. We know the standards that we have in that and it is a competitive market for a lot of the manual labour we have and, in effect, unskilled work or work with a certain skill level that is not as high as perhaps some of the most premium jobs in our country. Chris wanted to come in. I am sure he can add illumination.

Chris Preston: All I was going to do was add to what the Minister said. It depends on the material as well. If you have paper there is 9.1 million tonnes of that potentially each year being produced. Could all that be used in the UK? It is an open question. Or does it make sense to ship it potentially for recycling to countries where it might be used to make packaging and things like that? As a sensible market approach, as the Minister said, could we create more material markets for plastics and recycled plastics—possible things like recycled PET. Then other materials will always find a market around the world because they are desirable; so things like copper and things like that.

Dr Coffey: We export waste to other places in the European Union because, frankly, they are prepared to pay more for it than some of our domestic processes, so it is one of those where manufacturers and retailers will try to grab the value from every element of their supply chain.

Q142 **Mr Goodwill:** That takes me on to my next question. Some recycling companies have managed to get export markets within the EU. I know Germany buys waste for burning in their energy from waste plants, as does Sweden and other types of waste can be recycled in EU countries. But you recently said that the UK could face increased waste export tariffs of between 3% and 7%, if there is no deal with the EU. Will leaving the EU place further financial strain on the waste market?

Dr Coffey: I think this was a question when we were at the Lords Select Committee and I am confident we will get a deal. But the Committee



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understandably, for the basis of their report, was stretching every possible scenario, just like any good select committee would do.

Chair: This one being no exception, indeed. I think that is what our colleagues are debating right now in terms of the deal and the economic impact.

Q143 **Dr Offord:** I want to explore the relationship between our continued and increasing desire to export waste and the impact it has had upon comingle collection. I have a bugbear about this that when I was responsible for recycling I had the sorted collection and that system was changed.

Dr Coffey: You had what, sorry?

Dr Offord: We had the sorted collection where consumers, our residents, myself, would separate different items and put them in a box, and that changed. Would you say there is any relationship between this desire for comingled, as a result of the fact that so much was being exported to places like China?

Dr Coffey: China wanted to buy this product from us in order to fuel their economy of production. I do not have enough of a sense about whether comingling has changed the dynamics of what would get processed domestically or for export purposes. I am conscious that the industry wants as little contamination as possible, whether that is dirt, and there are challenges, for example, about when you comingle glass and paper. There are definitely issues then that it is much more difficult. There are risks there about shattering of glass and therefore the contamination. That is a bit of a no-no.

The Secretary of State has articulated he is keen to see greater consistency. We have encouraged greater consistency but, as I have articulated before, I do not think I am best placed to say to every single council in the country they need seven or eight bins. That would be the ideal sorting to maximise entirely every single bit of value. People like the Alan MacArthur Foundation—I have been discussing with them—suggested three or four would probably be. Do not let perfect be the enemy of the good and let's do more about that. That is why we will continue to encourage councils—WRAP is our partner in doing this—and working on what we can do more to get greater consistency of recycling certainly between neighbours. My limited experience so far, sadly, is that you end up with the lowest common denominator rather than the highest common factor and that is frustrating.

Q144 **Dr Offord:** Certainly, what comes from the discussion this afternoon is this is a commodity rather than we see it as a waste product because we throw it away. But it is a commodity. How do you feel, particularly as China says it is not going to take any more? Are you going to do anything to affect the export of waste, meaning are you going to change regulations particularly through the resources and waste strategy to ensure that we domestically recycle more waste products?



Dr Coffey: We are very keen to see more recycled, reused, recovered. As I have articulated, in the resources and waste strategy we are considering whether to put minimum percentage recyclates in future materials. That would have a big impact on parts of the industry, so we need to be careful also in terms of how that will then affect the consumer. That is why a lot of work is going into this at the moment.

Q145 **Kerry McCarthy:** There have been reports that the UK would not sign up to the proposed new EU recycling targets. At the moment we are not on course to meet the current target of 50% by 2020. We are flatlining around 44%. There were reports that they are proposing a new target of 65% and the UK was not prepared to go along with that. Can you explain why?

Dr Coffey: There has been a trilogue discussion. The idea of a binding target of 65% in 2035 was introduced rather late into the discussion. I think I am correct in saying we still do not have the formal text from the Presidency. The Presidency has just changed to Bulgaria and we will consider it carefully when it arrives.

Q146 **Kerry McCarthy:** Are you saying the reports that we objected to it were premature?

Dr Coffey: There are two different things going on. That 60% target and the 65% target are the weight-based measures of the recycling collected for household and municipal waste. I want to assure you that we exceed the specific targets for plastic recycling that the EU has today. The current EU target for paper is 60%. We recycle 77%. For plastics it is 22.5% and we are recycling about 39% so we are ahead of that in terms of the material types. The particular thing you are referring to is the weight-based measure and a whole load of different changes have happened. I think we finally reached one calculation measure. I am not even clear that has been agreed so that is why we are waiting for the information to come from the trilogue discussions.

Q147 **Kerry McCarthy:** We have signed up to a 50% by 2020 target.

Dr Coffey: Yes.

Q148 **Kerry McCarthy:** Are we going to meet that?

Dr Coffey: We will be straining every sinew to achieve that but we have been quite clear in other forums, and I think the Secretary of State said this again last week. The challenge at the moment is those kinds of targets are focused on weight and it can lead to—dare I say it—a lot of that is where we have it today is collecting garden waste, and whether that is the best way for council tax payers' money to go round trying to get garden waste. We think there is more sense in the future, and of course it will be for a UK Parliament in the future to decide, at the end of our assessment if we come forward with proposals to say, "We think, let's focus on what are the most environmental benefits in terms of our resource, effectivity and productivity." At the moment, we still need to



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get the full text of what has been proposed from the trilogue discussions. Then we will consider that carefully for the next stages.

Q149 Kerry McCarthy: It sounds rather a lot like just moving the goalposts or redefining child poverty to match performance. The reports in the press said that UK officials were quite blunt in their opposition to the 65% but, also, in the 25-year environment plan there is a promise, is there not, that you will meet all current targets and develop ambitious new ones? From what you have said it does not really sound like—on the one hand you are saying we will do our best to meet this target but on the other hand you are saying it is not a very good target because it is weight-based and it is distorted by garden waste and so on.

Dr Coffey: As I say that weight basis is only one of the aspects of the whole circular economy package.

Kerry McCarthy: But the 50% by 2020 target?

Dr Coffey: Yes. I am not going to deny that is the challenge.

Mr Goodwill: Germany is doing that already.

Kerry McCarthy: And Wales.

Dr Coffey: Yes. I am not denying that.

Q150 Kerry McCarthy: Why are we finding it more difficult than Wales?

Dr Coffey: I am not quite sure what that has to do with the Chinese ban but to answer your question—

Kerry McCarthy: It is all about recycling, what we do with our waste and whether we have the capacity to recycle it. I would say it is very much related because it is not going to China. We have to deal with it.

Dr Coffey: It has nothing to do with the capacity. It is about households and our businesses and whether they are prepared to recycle. If I look at Newham Council it has gone backwards: in 2015-16 they recycled 15% of their waste; they are now below 15%. That is the challenge. The combined population of Scotland and Wales is smaller than London. London's recycling rate is averaging about 25%. That is the challenge we are trying to do and that is why we are working with organisations like Peabody Trust, Resource London and, of course, the mayor has his own strategy that he is consulting on at the moment.

There is a massive difference in the population in terms of whether it is about the demographic, the transient nature, and the level of owner occupation. So, we have a much bigger challenge, I would articulate or suggest. Of course I want to commend Wales and Scotland has improved. The level between Scotland and England is similar.

Q151 Kerry McCarthy: Have you looked at Milan and how they have managed to dramatically increase their recycling rates despite having transient populations, lots of people in high density housing?



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Dr Coffey: Yes, there is a difference and, yes, the team has been out to Milan to see that. They tend to have caretaker blocks. They pay by weight in terms of the waste they have. There are some quite different approaches but there are challenges. Caroline is normally here at the Green Party-run Brighton and Hove City Council. Their recycling rate is 27% and those are the kinds of challenges we need to face, whereas there are some other people here who have much higher.

Q152 **Kerry McCarthy:** Are you saying it is the fault of the councils?

Dr Coffey: I would say we need to encourage consumers to do more.

Q153 **Kerry McCarthy:** So, it is the consumers.

Dr Coffey: At the end of the day, the householders decide whether they are going to recycle the waste that they generate or not. I wish more were a bit like Bristol at 43% but that is behind the England average.

Chair: It is behind Wakefield as well.

Dr Coffey: Wakefield is 48%.

Chair: Again I was right.

Dr Coffey: Suffolk Coastal is 57%, so there we go.

Q154 **Mr Goodwill:** Are you saying that, by having a weight-based target, you are incentivising local authorities to collect grass clippings that could be composted in the person's own garden but it suits the council to collect all that heavy garden waste but it just ups their level?

Dr Coffey: There is a mixture of things going on, Robert. It is fair to say in parts of London that they would suggest they do not have as much garden waste to collect so that is one of the reasons why they have a low recycling rate. Some councils are not now charging for garden waste for a convenience level. In other situations I think last year there was a dry summer. The weight of the garden waste collected fell and people started composting more at home, so you have seen different dynamics going on about what is happening there.

At the moment there is no penalty to councils on their recycling rate. Of course they pay taxes on the basis of how much they send to landfill, but there are some other councils I visit and speak to councils quite regularly. I was in Hampshire a couple of weeks ago where I used to live. Their recycling rate is shockingly low but they say, "We are fantastic because we send hardly anything to landfill," but a lot goes to their incinerator. That is the different dynamic that is going on.

Q155 **Chair:** Is that why they did not have recycling of plastics?

Dr Coffey: They do not take pots and tubs and trays yet. I am hoping they will change.

Chair: I remember you mentioning them last time round in October.



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Dr Coffey: The good news is, since I last saw you, the Isles of Scilly have started a trial on collecting curbside plastics, so hopefully Rotherham will take note and do good stuff.

Q156 **Chair:** Just before we leave the weight-based targets, you have said it is challenging, you are going to be straining every sinew to meet it. We are going to be meeting, following EU targets in this area, are we not, through this transitional period, assuming that it happens? What is the target for 2025 or 2030? It is quite important for industry, is it not, in terms of having that long-term signal to invest in the reprocessing capacity here at home?

Dr Coffey: The proposed target for 2030 is 60%.

Q157 **Chair:** Do you think that is sensible?

Dr Coffey: We think that is going to be challenging. We agreed, certainly for 2030, that again we would try to achieve that. That is still going to be challenging. I am not going to pretend, and as I have articulated our biggest challenges are in some of our urban centres.

Q158 **Mr Dunne:** I am going to come back to plastics in a minute but, as you have told many other members what their recycling rate is, do you mind telling me what Shropshire's rate is?

Dr Coffey: It is 55%.

Q159 **Mr Dunne:** Did you say 55? That would be the highest of any of the colleagues represented.

Dr Coffey: To be fair I am technically a co-member of the Committee and I am 57%.

Mr Dunne: Congratulations. I think that is achieved substantially by collecting green waste.

Dr Coffey: It will be a significant amount.

Q160 **Mr Dunne:** As we have heard, it has perverse consequences and some of the industry representatives yesterday were appealing for us to look at the weight-based measurement as we have just been discussing. Turning back to plastics, is it the intent of the UK Government to support the EU's new plastics strategy?

Dr Coffey: I have had a brief look at it. I think generally it is really good in the right direction. Of course I could say—and I know my Secretary of State certainly would say—that we are doing further on some of these ambitions. For example, you talked about the intention on the use of micro-plastics will be restricted. We have already started with our initial ban on plastic micro-beads and we are looking further at micro-plastics. The EU strategy is that all plastic packaging on the EU market will be recyclable by 2030.



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Most packaging is. I am not saying it is straightforward but we have set in place our target by 2025, and that is through WRAP. There are a number of different things where we are actively exploring taxes and charges on the single use plastics and we will have our call for evidence. There are a number of things where we are absolutely aligned. I know it is a passion of many people across the European Union and I am looking forward to continue collaboration with them. Some of this is going to take quite a lot of R&D, I have to say.

Q161 Mr Dunne: I will come on to that in a second. One element of the plastics strategy is phasing out of poorly sorted plastic material. Do we have any plans or will that form part of the 25 Year Environment Strategy, do you expect?

Dr Coffey: To be candid I have not looked at every bit of the EU document so far. My expectation is I would look at it in a lot more detail before the next Environment Council, so I would need to come back to you on that.

Q162 Mr Dunne: As you mention R&D, do you recognise that, prompted by the Chinese ban, this has created a bit of a watershed moment for how we deal with recyclable material for both plastics and fibre in particular and are you going to use the 25-year environment plan to try to do something a bit more innovative? I think the response up until now has been, well, we can recycle this material because, as has been said by Matthew, these are commodity products. We do not have a lot of domestic use or volume here to create our own industry but perhaps we should do that. Are you looking, for example, at an R&D prize for finding other imaginative uses of plastic recyclable material or fibrous material or stimulating any kind of scientific endeavour to more with it, as has happened in other sectors of recycling?

Dr Coffey: The analysis we managed to gather from Innovate UK showed that we had spent or invested about £50 million on R&D, from public money, on plastics innovation in the last seven years. The 25-year environment plan does set out that ambition about working with the research councils and industry. Ultimately it has to come from industry really being a key partner to this, to bring forward a bid for R&D funding from the Industrial Strategy Challenge Fund. That is something that is being actively worked on. The key thing we want to see is more sustainable materials with a lower environmental impact.

Some of this is quite straightforward and we are seeing quite a lot of action about simple, straightforward stuff to avoid quite quickly. Others I think are going to be more challenging. The use of plastic has become endemic across a lot of society and our public services and so on. There are even things—dare I say it—like the humble car tyre. We are not going to reinvent the wheel. We still need that with our electric vehicles. But undoubtedly the amount of synthetic plastic in there, synthetic rubber, is one of the things that we would love to see more research on. I am trying to encourage our Chief Scientific Adviser and Department for Transport to



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go further on this, because it will help with other things like the issue of micro-plastics coming into our marine environment and help on air quality too.

Q163 **Mr Dunne:** I am quite encouraged by what you say, but is it focused not just on the front end, new product innovation and different types of packaging material but also on how we deal with the legacy and the back end of the stuff we are already producing?

Dr Coffey: I am not entirely sure what you mean by the legacy.

Q164 **Mr Dunne:** The existing several hundreds of thousands of tonnes of waste material, whether plastics or fibrous at the moment, where our markets are disappearing so should we not be looking for new usage for that product rather than landfill? Maybe a use is greater incineration. I do not know.

Dr Coffey: Having been a Minister recently, I expect your inbox was full of all sorts of innovative ideas on new processes or new things in your case the NHS might want to use. I regularly get that kind of information. BAS is taking the lead on things, like the new bio-economy strategy. There is a lot of interest in the whole bio-degradable plastics. I think we need to be careful as we move forward on this. The contamination of non-degradable and bio-degradable can lead, frankly, to material problems, literally material problems in the future, so we just need to be careful about how we take this approach as we move forward. Is BAS due to say more on that later this year?

Chair: Soon.

Dr Coffey: Soon. Sorry, I do not know when soon is, but they are working on it.

Chair: Industry told us next month so I do not—

Dr Coffey: There we are, okay. We will see how good their intel is.

Q165 **Mr Goodwill:** Someone once described plastics to me as frozen oil and obviously, if we do more incineration in this country and we get the energy from that, we are displacing fossil fuels that are being burnt in power stations anyway. Has DEFRA done any sort of work looking at the overall environmental impact of burning plastic and making new plastic out of the oil that is not going to be used in effect? It is a very simplistic way of putting it, but there must be some analysis that could be done to see if that was sustainable, even as a short-term measure, when we have this glut of plastic.

Dr Coffey: I know the industry hates it when I say this because it does not strictly go with the waste hierarchy. Burning plastic, certainly in an uncontrolled environment, is bad news for the environment and it is better to bury than it is to burn.

Q166 **Mr Goodwill:** In a plant that complies with the large combustion plants



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directive that would then not be producing dioxins and all those other things that can happen if you burn plastic.

Dr Coffey: Chris, do you want to add?

Chris Preston: I am trying to read through them so I have some comparison figures on the difference between burning plastic compared to other types of fossil fuel, but I cannot just quickly get to them.

Dr Coffey: You can write to the Committee.

Chris Preston: It would also depend in terms of the type of fuel. Different energy from waste plants will put different specifications, so often those who produce energy from waste fuel, refuse-derived fuel, will do particular mixes and they will agree that part of the contract that they send over.

Q167 **Chair:** It would obviously have an impact on our carbon budgets as well, so there is a net impact of plus two tonnes per carbon every tonne of plastic burned, and paper, I think.

Dr Coffey: That is why we are keen to reuse as much plastic as we can.

Q168 **Chair:** I am sure your resources and waste strategy will all be about creating sustainable markets for those recycled products to be used in this country. I am sure you will be looking at some of our recommendations on our previous reports. Just on this, obviously DEFRA has lost 5,000 staff since 2010. How many people are working on the resources and waste strategy at the moment?

Dr Coffey: Chris will know because it is his team.

Chris Preston: Enough to deliver it would be my answer to that question.

Q169 **Chair:** Two, six, 10?

Chris Preston: It will vary because you will bring lawyers in, you will bring in analysts so it will vary.

Dr Coffey: WRAP has very kindly seconded one person or two people to help.

Q170 **Chair:** One person from WRAP seconded, and how many DEFRA civil servants?

Chris Preston: Working exclusively on it?

Chair: Yes.,

Chris Preston: I have nine teams that work to me so I cover a whole range of different areas, all of which will contribute at some point throughout the next several months while the strategy is being developed to developing that strategy. I have about 40 people in total in my team.



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Will they be working all the time on the resources and waste strategy? Probably not, because they will be doing other things like supporting—

Dr Coffey: If I give you an example of the 25-year environment plan, there were two people who worked exclusively on the 25-year environment plan but people from right across the Department worked on the 25-year environment plan.

Q171 **Chair:** Perhaps I can rephrase my question. How many civil servants are working exclusively on the resources and waste plan?

Chris Preston: Nobody works exclusively on the resources and waste strategy. They will all contribute to it, so there will be a lead person who will co-ordinate the work across my team and then there will be people individually who have chunks of work that will help to deliver that. If you wanted me to tot up that right now I probably could not off the top of my head.

Q172 **Chair:** There is one person co-ordinating it and how much time do they spend on it, full-time?

Chris Preston: Probably, about 80% of their time co-ordinating work.

Chair: There is one person co-ordinating, one person seconded in from WRAP and then everyone else is just putting in bits and bobs.

Dr Coffey: It is different parts of their role and their objectives during the year.

Chris Preston: I disagree with the terminology “bits and bobs”. They will have specific objectives set to deliver the work. It is not bits and bobs according to a project plan, so they will each have specific things they deliver in accordance with the plan.

Q173 **Chair:** When can we expect to see that plan?

Dr Coffey: I would love to say the first half of the year but, to be realistic, sometime this year.

Q174 **Chair:** I think when you last came in October we were told June so is that now—

Dr Coffey: I would love that to happen. There are different things about how we are approaching some of the work. If we wanted the complete and final answer we are talking later in the year. If there were still some elements that we could say we are producing a further particular part of it, because some of this is affecting work across Government, then we may be able to so it sooner.

Q175 **Chair:** Will you be consulting on it when it is published?

Dr Coffey: I think we are.

Chris Preston: Individual proposals where there might be regulatory changes within the plan—



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Dr Coffey: —will be consulted on. So there will be some consultations alongside. That is my expectation.

Q176 **Kerry McCarthy:** The consultation that was announced in the Budget on plastics, how does that fit in?

Dr Coffey: The Chancellor announced the call for evidence.

Q177 **Kerry McCarthy:** That is not the same thing as a consultation. So, is that going to be delayed? Is the outcome of that going to be delayed and tied in with the resources and waste strategy or are we going to see independent action on that beforehand?

Dr Coffey: I am expecting you will see the call for evidence in the near future and this is part of the challenge about the timetable.

Q178 **Chair:** Has the call for evidence not happened?

Dr Coffey: No.

Q179 **Chair:** So, it is just announced in the Budget and then nothing has happened since.

Dr Coffey: Stuff has happened but it has not been published, so it has not been launched so a lot of preparation is going on.

Q180 **Kerry McCarthy:** The announcement in the Budget was that they would be going out and looking at the options, finding out how they could do it.

Dr Coffey: The call for evidence.

Q181 **Kerry McCarthy:** The announcement in the Budget was a call for evidence but that bit has not—

Dr Coffey: The call for evidence has not happened yet, correct. We are working on that with the Treasury.

Q182 **Kerry McCarthy:** Do you know when it is going to happen?

Dr Coffey: I am hoping for that to be in the near future. That is the kind of thing where, depending on what comes back, in effect will then decide how long it takes us to be able to properly get our strategy rounded out or whether it is going to take longer.

Q183 **Kerry McCarthy:** Was there any point announcing it in the Budget, when you are doing this separate whole strategy that covers an awful lot of other things?

Dr Coffey: Because it referred to charges and taxes and levies is why it became a fiscal announcement in the Budget.

Q184 **Kerry McCarthy:** Will there not be anything else in the strategy that may have? You just mentioned things that might be other things in the strategy.



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Dr Coffey: Yes, there will be other things in the strategy; yes, absolutely.

Chair: We cannot wait. It is something for us to look forward to. We shall certainly programme that into our scrutiny, as we move forward. Thank you all very much indeed for being with us.