

Response ID ANON-N7RC-RFWV-Y

Submitted to **Consultation on reforming the UK packaging producer responsibility system**

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About You

1 What is your name?

Name:

Simon Ellin

2 What is your email address?

Email:

simon.ellin@therecyclingassociation.com

3 Please provide information about the organisation/business you represent

Which of the following best describes you?:

Business representative organisation/trade body

What is the name of the organisation/business you represent? (If you are responding on behalf of yourself please write 'Individual'):

The Recycling Association

What is the approximate number of staff in your organisation? (if applicable):

If you answered 'Other' above, please provide details::

4 Please provide any further information about your organisation or business activities that you think might help us put your answers in context.

Please answer below:

We are an established and high profile trade body representing circa 100 members from the Recycling Industry. Our membership is made up of processors and recyclers including merchants, waste management companies, UK & Chinese mill groups and brokers.

5 Would you like your response to be confidential?

No

If you answered 'Yes' above, please give your reason::

Background

6 Do you agree with the principles proposed for packaging EPR?

Yes

Please briefly state the reasons for your response. Specifically, if you respond No, please identify which principles you do not agree with and explain why.:

Too much onus has been placed on the recycler to produce commodities that have global recycling applications. The recycler has increasingly struggled to find markets for the materials due to the poor qualities they are presented with (particularly municipal materials where under funding is partly responsible for poor collection infrastructure and systems). The Recycling Association has very publicly lobbied for full supply chain responsibility through our Quality First campaign and underpinning this and at the top of the supply chain is the producer.

We are in favour of a polluter pays system which will drive responsibility, best practice and a fully funded and fit for the purpose circular economy.

7 Do you agree with the outcomes that a packaging EPR should contribute to?

Yes

If you answered No, please state which outcomes you do not agree with.:

It is very important here to note that whilst we absolutely support producing recyclable commodities that will stimulate investment in UK processing infrastructure, it is at least equally important that we produce recyclable commodities that do not present barriers to their application in the global circular economy.

It is likely to take several years before we see the true impact of EPR taking effect in the UK and major new infrastructure being developed. In the meantime, we need to ensure that we provide high quality recycled commodities to an export market that is partnered by complementary regulation. There will need to be a level playing field for the export market to provide competition that makes UK recycling infrastructure competitive and efficient.

We also need to recognise that some recycling infrastructure may already be at full capacity. For example, the UK already has enough cardboard mills to meet its requirements, but needs to export cardboard back to the place of manufacture in Europe and Asia predominantly. If demand required more cardboard mills in the UK, they would have been built already.

8 Do you think these types of items not currently legally considered as packaging should be in scope of the new packaging EPR system?

Yes

Please briefly state the reasons for your response and provide any information to support your view.:

These materials are packaging items that are used in the household. Much of the proposed EPR is household centric, so it would be pointless to exclude these from the obligations.

Jiffy bags, cling film, multi-layered materials and paper cups are examples of contaminants in the recycling process. By including all of these single-use items within a new packaging EPR system, we will:

- Improve the quality of recycling by reducing contamination
- Drive innovation of design
- Allow the promotion and design of new and existing reusable alternatives such as storage jars and containers, reusable cups and multi-use resealable sandwich bags.

9 Which of these two classifications best fits with how your business categorises packaging?

Consumer-facing and distribution/transit

If neither, please say why, and provide a description of how your business categorises packaging:

Part A: 1. Full net cost recovery

10 Do you agree with our definition of full net cost recovery?

No, it does not fulfill the Polluter Pays Principle

Please briefly state the reasons for your response and provide any information to support your view.:

This would appear to cover most of the costs but only takes us to the point of final processing. Surely the journey of packaging ends when it has been re-processed and there is a huge danger here that we will transform the UK infrastructure to collect more and more (quality) materials with the assumption that it will attract massive investment in UK re-processing infrastructure. What if it doesn't? Where is the support for setting up new facilities? Global markets are too volatile to rely entirely on market driven investment when the UK are an export driven business for good reasons. These drivers which includes, energy, labour, regulation and planning are not addressed by EPR nor the 30% tax on plastics (although welcome). It is reckless to assume that EPR will drive the confidence to invest through better quality feedstocks alone.

EPR should also at least partly fund some of the steps required to make investment and subsequent sustainability of UK processing - for example fund for R&D. Suez's "Mind the Gap" report predicts we will be collecting 6m tonnes more packaging by 2030 - where is this going to be re-processed within a diminishing and heavily regulated export market? Producers must be required to assist these investments otherwise an unintended consequence of EPR could be to force materials down the waste hierarchy.

11 Do you agree that producers should be required to fund the costs of collecting and managing household and household-like packaging waste? (i.e. all consumer facing packaging)

Yes

If No, please briefly state the reasons for your response and state what waste you think full net cost recovery should apply to.:

12 Do you agree that packaging for commercial/industrial applications should be out of scope for full net cost recovery?

No

If No, please briefly state the reasons for your response.:

This needs to be included in EPR to aid innovation in B2B packaging to facilitate the recycling of more high quality materials.

It should also drive unnecessary plastics out of the system that are hard/impossible to recycle by including it in full net cost recovery.

There also needs to be consistency with household collections as ultimately, the materials end up in the same markets.

If it is left as it is, with packaging for commercial/industrial applications out of the scope of full net cost recovery, then it means the waste hierarchy isn't taken into consideration which should be the driver for best practice.

There is also the possibility of loopholes emerging that could mean producers finding ways to avoid household full net cost recovery by using more packaging in the commercial/industrial stages prior to it going to the consumer.

13 We would welcome your views on whether or not producers subject to any DRS should also be obligated a under a packaging EPR system for the same packaging items.

Yes they should

Please briefly state the reasons for your response.:

Absolutely they should.

We have got to net DRS recovery off from EPR with the two working together.

DRS drives collection only and does not improve the recyclability of a product - for example, if you collect a PET bottle with a PVC sleeve using DRS, then that sleeve remains a problem to recycle and there is no incentive to remove it from the design. EPR is still needed to work alongside DRS to ensure products are designed for recyclability.

Part A: 2. Driving better design of packaging

14 Do you agree with the development of an 'approved list' of recyclable packaging to underpin the setting of either modulated fee rates or deposits?

Yes

Please briefly state the reasons for your response and provide any information to support your view.:

"Recyclability" is a huge grey area at the moment and producers can claim that an item is recyclable when technically it is but in practice it is not. Therefore a list drawn up by recyclers should be used as the basis for "approval" which will drive out the practice outlined above and will stimulate investment in new recyclable materials production.

It is entirely feasible that specification protocols can be drawn up that enable this e.g the CPI/WRAP spec for recovered paper. Although producers must be included in the consultation, recyclers must have the final say.

15 Do you think the payment of modulated fees or the payment of deposits with the prospect of losing some or all of the deposit would be more effective in changing producers' choices towards the use of easy to recycle packaging?

Deposit (for recyclable packaging) and fee (for non-recyclable packaging)

Please briefly state the reasons for your response and provide any information to support your view.:

This is very difficult to answer without discussing the 4 compliance models. However, it is clear that a deposit based system for for recyclable packaging and a fee for non-recyclable packaging would be a driver to producers to remove as much non-recyclable packaging as possible, whilst incentivising the development of recyclable packaging.

However, we would potentially support a modulated fee depending on the outcome of the 4 options for the reform of the PRN/PERN system

16 Do you think there could be any unintended consequences in terms of packaging design and use arising from:

Do you think there could be any unintended consequences in terms of packaging design and use arising from: - Modulated fees:

Yes

Do you think there could be any unintended consequences in terms of packaging design and use arising from: - Deposit (for recyclable packaging) and fee (for non-recyclable packaging):

Yes

Please briefly state the reasons for your response and provide any information to support your view.:

There is a possibility that the net environmental impact is not considered in the drive to recyclability. While we fully endorse the idea of making packaging more recyclable, there will also need to be consideration of the full net environmental impact and the waste hierarchy first.

It is also possible that a drive towards recyclability will lead to more contamination of recyclable materials. For example, a producer may decide to replace a black plastic ready meal tray with one that is paper-based. This paper-based tray might be marketed as recyclable, when the reality is that the food residue will act as a contaminant – as might any plastic film that covers it. In this instance, it might be that a paper-based tray would need both a compostable starch-based film to cover it, plus clear guidance that it should be put into food waste rather than recycling (if the subsequent "composting" process can handle it).

17 Do you agree that the deposit approach should be designed to incentivise more closed loop recycling?

Yes

Please briefly state the reasons for your response and provide any information to support your view.:

Closed loop recycling is very important when it comes to stimulating investment in new UK processing capacity as it will drive the demand for materials and provide the confidence the market needs.

There is an argument that non-closed loop recycling eg plastic trays to plastic pipes still creates a market, however, there is no guarantee that the plastic pipe would eventually be recycled because it is not covered under EPR. This EPR system drives recyclability and recycling because it is circular and closed-loop and adds to the robust nature of the system we should strive to deliver.

Part A: 3. Obligated producers

18 What do you consider to be the most appropriate approach to a single point of compliance, the Brand-owner or the Seller approach?

Brand-owner

Please briefly state the reasons for your response and provide any information to support your view.:

The brand owner is at the top of the hierarchy, and therefore has the most influence, can react quickly and ensure that all parts of the 'seller' chain is covered from the major supermarkets down to the single, independent convenience store. For example, if a major detergent manufacturer is compliant, its product can still be sold in a supermarket and the independent shop. By putting the emphasis on the seller, only those that meet the threshold would be compliant.

However, we would also recommend that both the brand owner, and sellers above the threshold need to provide sales data. This will ensure there is more data available to help inform decisions and improve the system.

19 If a single point of compliance approach was adopted, do you think the de-minimis should be:

Retained and wholesalers and direct-to-retail sellers take on the obligation of those below the threshold?

Please briefly state the reasons for your response and provide any information to support your view.:

This ensures that those below the threshold are obligated by the wholesalers and direct-to-retail sellers. This means all parts of the chain are covered.

20 Should small cafés and restaurants selling takeaway food and drinks whose packaging is disposed 'on the go' be exempt from being obligated?

Yes

Please briefly state the reasons for your response and provide any information to support your view.:

What is the definition of "small"?

Small cafés and restaurants should be exempt from obligation, as long as the wholesalers and direct-to-retail sellers take on the obligation, as answered in Q19.

Small cafes and restaurants would be ideally suited to an on-the-go DRS system.

21 If shared responsibility is retained, is Option A or Option B preferable for including smaller businesses or the packaging they handle in the system?

Option B (De-minimis threshold remains as is and obligations extended to distributors of packaging or packaged products)

Please briefly state the reasons for your response and provide any information to support your view.:

This would be the simplest and most streamlined option and would probably be the cheapest in terms of administration.

22 If you have stated a preference for A, do you think the de-minimis threshold should:

Not Answered

Please briefly state the reasons for your response and provide any information to support your view.:

N/A

23 Overall, do you have a preference for maintaining a shared responsibility compliance approach, or moving to a single point of compliance?

Single point of compliance

Please briefly state the reasons for your response and provide any information to support your view.:

Again, this simplifies the system and provides a clear footprint for responsibility. It ensures that brand owners are responsible for the packaging they put onto the market and will help drive innovation in product design and enable recyclability plus greater use of recycled content.

As recyclability increasingly becomes a marketing opportunity for sellers, they will pressure the brand owners to lead by better design. A polluter pays compliance system will increase the costs for brands who do not comply and thus will present compliant brands with a market advantage.

24 Do you have a preference for how small businesses could comply?

Apply an allocation formula

Please briefly state the reasons for your response and provide any information to support your view.:

Flat fees have failed to meet targets for WEEE and batteries.

An allocation formula is much fairer too for the companies involved.

25 Do you think that requiring operators of online marketplaces to take the legal responsibility for the packaging on products for which they facilitate the import would be effective in capturing more of the packaging that is brought into the UK through e-commerce sales?

Yes

Please briefly state the reasons for your response and provide any information to support your view.:

Absolutely it would and it would level the playing field as ecommerce sales continue to grow. E commerce are essentially free-riders and the cost is currently being met by local authorities and thus the consumer. It is a loophole that must be closed off.

Part A: 4. Supporting improved collections and infrastructure

26 Do you agree that payments to local authorities for collecting and managing household packaging waste should be based on:

Do you agree payments to local authorities for collecting and managing household packaging waste should be based on: - provision of collection services that meet any minimum standard requirements (by nation):

Yes

Do you agree payments to local authorities for collecting and managing household packaging waste should be based on: - quantity and quality of target packaging materials collected for recycling:

Yes

Do you agree payments to local authorities for collecting and managing household packaging waste should be based on: - cost of managing household packaging waste in residual waste:

Yes

Please briefly state the reasons for your response and provide any information to support your view.:

Linking all 3 of these is fundamental to delivering an effective service. Local authorities must not be given money to deliver services that are not fit for the purpose and thus do not deliver quality materials to the recycler. This is the current system which has led to diminishing options for UK recyclables.

It is crucial that the RWS delivers a joined up approach and if there is one broken link, the system will not work - significant improvements in local authority service delivery is key to achieving this and service standards should be developed in conjunction with all elements of the supply and processing chain. This includes management of residual waste because if strict and consistent service standards are delivered then to a significant degree, packaging in residual waste is down to the packaging design process which must be paid for by producers - it is the whole purpose of EPR

27 Do you think we have considered all of the costs to local authorities of managing packaging waste?

No

Please briefly state the reasons for your response and provide any information to support your view.:

There is an argument that Unitary Authorities are better placed to deliver efficient recycling services as proven by the Welsh model. The operational and administrative costs associated with the duplication of service delivery should be looked at very carefully. We have real concerns that in non-competition compliance models (2 and 3), inefficient local authority systems will be given money funded by the consumer with outcomes that do not represent value.

The costs of consistent and effective communication/marketing delivery need much greater attention. With a few exceptions, local authority communications have proven to be wholly ineffective and qualities of recyclates have got worse/plateaued. Even taking into account budgetary cuts, local authorities have failed in this area (although it is acknowledged many other factors are at play here too). Communications require much greater funding on a national and local scale but clear guidance and consistency is required.

The costs of littering and fly tipping of packaging waste are significant too and research provides a clear link to recycling, communication and education. Producers must pay for this

28 Do you agree with our approach to making payments for the collection of household-like packaging waste for recycling?

Yes

Please briefly state the reasons for your response and provide any information to support your view.:

This would help to offset the fluctuation of commodity prices, although the description of how these savings would be passed up the chain are vague. However the payments work, quality of materials should be factored in.

29 Should businesses producing household-like packaging receive a payment for the costs of household-like packaging waste in residual waste?

Yes

Please briefly state the reasons for your response and provide any information to support your view:

Although KPIs must be attached to this as detailed in 26. Businesses should not receive monies for poor practices leading to more packaging in the residual waste stream.

30 Are there other factors, including unintended consequences that should be considered in determining payments to:

Local authorities? Please explain the reasons for your response and provide any information to support your view:

The consultation does not really cover the outcomes of collecting materials successfully and this question is very difficult to answer without knowing what service level agreements will be introduced. We must ensure that local authorities deliver consistent and effective recycling services across all materials and do not give preference to practices based on weight based KPIs linked to higher payments and local politics.

There is a danger that reward will be based on quantity rather than quality.

For the collection and recycling of household-like packaging waste? Please explain the reasons for your response and provide any information to support your view:

As above.

How does this effect the collection of trade waste by local authorities and the zero VAT loophole that allows them an unfair competitive advantage over commercial collectors?

Do these payments mean there is more likelihood that local authorities will want to keep their collections in house rather than award contracts to commercial collectors who can offer deliver better and cheaper services and have the economies of scale and improved materials trading experience.?

31 Do you have any information that would help us to establish the costs incurred by local authorities and other organisations of cleaning up littered and fly-tipped packaging items?

Please provide any information below:

No

32 How do you think producer fees could be used to improve the management of packaging waste generated on-the-go?

Please answer below:

The crucial provision of more on the go collection systems using innovative design to improve the qualities of materials collected and concentrating resources in heavy use areas such as stations, town centres, parks, beaches, major events etc.

Funding for education and advertising of on the go facilities and anti littering is key. Consistent national collection facilities should be delivered in conjunction with the national campaigns we need to create a culture.

33 Do you have any information that would help us to establish the costs of collection and disposal of increased on-the-go provision?

Please answer below:

No, other than those already provided for on the go DRS - this would solve the problem!

34 Do you agree that provision for the take back of single-use disposable cups for recycling should continue to be developed a voluntary basis by business prior to a government decision on whether disposable cups are included under an EPR scheme or DRS?

Yes

Please briefly state the reasons for your response and provide any information to support your view:

We cannot see any other option at the moment as we should not introduce new practices that are then subsequently removed following DRS and EPR.

Coffee cups should absolutely be subject to DRS.

35 Do you think the recycling of single-use disposable cups would be better managed through a DRS or EPR scheme?

DRS

Please briefly state the reasons for your response and provide any information to support your view:

It is difficult to see how EPR could make significant improvements in the collection of coffee cups and in changing habits.

A significant deposit has proven that 90%+ of materials can be collected. DRS must include the plastic lid too.

36 Do you think a recycling target should be set for single-use disposable cups?

Yes

Please briefly state the reasons for your response and provide any information to support your view.:

With significant penalties to producers if EPR and not DRS is introduced to handle them.

Part A: 5. Helping consumers do the right thing – communications and labelling

37 Should producer fees be used to support local service related communications delivered by local authorities?

Yes

Please briefly state the reasons for your response. Where available, please share evidence to support your view.:

But with compulsory use of high level advice from marketing experts. Local communications must be based around national messages driven by design, clear and consistency of labelling and national consistency of collections.

Local politics should not be allowed to detract from effective delivery.

38 Should producer fees be used to support nationally-led communications campaigns in each nation?

Yes

Please briefly state the reasons for your response. Where available, please share evidence to support your view.:

Absolutely. We believe national communications are crucial to deliver consistent messages and to deliver simple but very crucial best practices eg wash and squash, no nappies, not stuffing recyclables in to boxes etc.

We should remember the success of national campaigns in the past - eg clunk-click-every trip for seat belts, child safety, green cross code etc.

39 Are there any circumstances where producers should be exempt from contributing to the cost of communications campaigns?

No

Please briefly state the reasons for your response. Where available, please share evidence to support your view.:

Unless they choose to deliver their own which would have to be based around very strict control criteria which complement national and local communication programmes.

40 Do you agree it should be mandatory for producers to label their packaging as Recyclable/Not Recyclable?

Yes

Please briefly state the reasons for your response and provide any information to support your view.:

But it must be strictly controlled by a central labelling body - we must move away from the loophole that allows producers to claim their products are recyclable

when technically they are but in practice they are not.

Labelling should also include advice on how to present the product eg for a plastic bottle, wash, squash and put the lid back on.

41 Do you think that the percentage of recycled content should be stated on product packaging?

Yes

Please briefly state the reasons for your response and provide any information to support your view:

Purchasing power should be enabled and will provide a competition element to producers - national campaigns could highlight the benefits of recycled content.

The practice will help drive closed loop systems.

42 If you responded yes to the previous question, how could recycled content information be provided to consumers?

Please describe briefly.:

Further research required - whichever way, it must be on all packaging and be clear and understandable. There are difficult areas though as recycled content will vary during peaks and troughs of collections and availability of feedstocks which can fluctuate significantly due to seasonality, economics etc.

43 Do you have any other proposals for a labelling system?

Please describe briefly.:

We need to embrace digitisation eg by using barcoding principles/Apps, chipping/watermarking packaging, smart bins etc..

We need consistency with our labelling and messaging which clearly links with collections systems - eg standard colours or a numbering system for materials which directly links to national and consistent collection systems.

A joined up approach from producer to householder to collector to processor is vital - each step must link.

We also need to link labelling with education/marketing eg will the public be put off by stating recycled content in food packaging? We must change cultures via education

44 Do you have experience to suggest an appropriate lead-in time for businesses to incorporate any mandatory labelling requirements?

Please describe briefly.:

No

Part B: 6. Packaging waste recycling targets to 2030

45 In your view, are the estimates made in the Material Flow reports for packaging waste arisings the best available data?

Yes

Please briefly state the reasons for your responses and provide any information to support your view.:

The Recycling Association were part of the Valpak steering group on material flows

46 Are you aware of any other factors which may affect the estimates of packaging waste entering the waste stream?

No

Please briefly state the reasons for your responses and provide any information to support your view.:

47 In your view, are there other factors which may affect the amounts of obligated tonnage reported?

No

Please briefly state the reasons for your responses and provide any information to support your view.:

48 Do you agree with the packaging waste recycling targets proposed for 2025?

Yes

Please briefly state the reasons for your responses and provide any information to support your view:

Yes. Targets are to a significant degree subjective but the targets proposed are ambitious but realistic if we can get all elements of the RWS to function together.

49 Do you agree with the packaging waste recycling targets proposed for 2030?

Yes

Please briefly state the reasons for your responses and provide any information to support your view:

Yes. Targets are to a significant degree subjective but the targets proposed are ambitious but realistic if we can get all elements of the RWS to function together.

50 Please provide your views on the policies and actions that could help us achieve an even higher overall packaging recycling rate, for example 75%, as well as your views on the costs associated with doing so.

Please answer below:

Full DRS (not preferred) and on-the-go recycling (preferred) could lead to more material being captured. There will also need to be more ambition when it comes to packaging design, plus national communication campaigns. Government needs to procure based on recycled content, and encourage others to do so. Demand needs to be created from end markets for material to feed it back into the loop. More R&D is needed on new end markets, domestically and abroad. Could aluminium and plastic have more ambitious targets by increasing by 10%? Then take out wood from packaging as reuse and EfW is optimum rather than recycling. Focus on the four key materials as mentioned in circular economy package (paper, plastic, metals, glass). This would meet 75% target. We do need to be aware that some unintended consequences could lead to targets being missed eg the trend to move from plastics to paper/card could lead to some contamination and losses if it is not managed properly.

51 Do you foresee any issues with obtaining and managing nation specific data?

Yes

Please briefly state the reasons for your responses and provide any information to support your view.:

Just have one target for the UK as a whole. Having nation specific data is too complex because of cross border trade. We need single point of compliance to achieve this too. Have a baseline target, but nations can set higher targets if they wish.

52 Should a proportion of each material target be met by “closed loop” recycling, e.g. as is the case for glass recycling targets?

Yes

Please briefly state the reasons for your responses and provide any information to support your view.:

Yes, absolutely as this will help to keep material in the system longer and is essential for a circular economy. Should also include fibre in this to drive innovation with products such as carrier kraft. Might lead to new mill investment. Closed loop modulated incentives will create demand (Model 4)

53 Should government set specific targets for individual formats of composite packaging?

Yes

If yes, what key categories of composite packaging should be considered?:

This is absolutely key. Composite packaging is a barrier to recycling performance as it is a contaminant in most recycling schemes eg liquid board packaging. Either a modulated fee system should fund separate collections or the deposit system (Model 4) will drive it out of the system altogether.

54 Do you agree with the proposed interim targets for 2021 and 2022 set out in Table 6?

Yes

Please briefly state the reasons for your responses and provide any information to support your view.:

They are ambitious and heading in the right direction

55 Do you agree with the proposal to increase the allocation method percentage to 35% for 2021 and 2022?

Yes

Please briefly state the reasons for your responses and provide any information to support your view.:

Part C: 7. Governance Models

56 Overall, which governance model for packaging EPR do you prefer?

Model 4

Please briefly explain your preference.:

We found it very difficult to narrow our preference down to one particular model, as there are elements of them all that could produce a workable system. None of the proposed schemes is perfect and much of the success or failure of any of them will rest on other factors set out in the consultation.

We have narrowed our preferences down to Models 3 and 4 though, although we would not rule out Option 1 either.

We should remember that the current market based system has largely worked - we have come close to reaching targets and the PRN/PERN has helped support the price and kept the market functioning. We need to be very careful in introducing a system in favour of the UK when we are c. 60% net exporters of fibre and c. 70% of plastics. Local authorities are incorrect when they say they haven't seen the money - they have, through price support and many systems would have either stopped or been heavily supported by the charge payer without it.

Although investment in Local Authority collection systems is imperative, it is crucially important that fees also find their way further down the system to support recyclers and exporters as per the current system.

We think that Model 4 is potentially the best fit model for the industry, but we would like to see more detail as to how the market based element of the model would work - there doesn't appear to be as much information here as in the other 3 models. Ostensibly though, we like Model 4 because it has an intention to increase the financial pressure on producers to eradicate difficult to recycle material and has the potential to drive innovation better than the other models. Model 4 also incentivises closed loop recycling which we believe has to be at the core of a fully functioning circular economy and will force producers to design to supply the closed loop system. Model 4 also potentially has the lowest costs to operate (along with Option 1). We would like to see some detailed modelling as to how this might work.

We understand how Model 2 would be popular to local authorities but we have concerns over the high costs and overheads. We therefore think that Model 3

could work as a solution that gives local authorities the certainty they would like, but also retains the market based approach for non-household like and business waste. We do acknowledge though that it could be difficult to classify which waste is which and thus a potential for fraud. This could be countered with fit for the purpose regulation. Model 3 does allow full cost recovery for household and household like, whilst allowing market/competition drivers for the commercial market. It is therefore the model that is the closest fit to satisfying all parties, but is imperfect nevertheless.

57 If you had to modify any of the models in any way to make them better suited to achieve the principles and outcomes government has set for packaging EPR what changes would you suggest?

Please describe briefly.:

Government would like to see full cost recovery for household and household like collections. We support this, but would modify all models to take into account local authority service delivery - this is why we prefer elements of market driven models and would completely rule out models which are not market driven (Model 2) as have recently Germany.

Local authority payment KPIs must be based on quality as well as quantity of outputs.

Administrative costs should be kept to the minimum in all models - likely to be the most expensive in Model 2.

58 Do you have any concerns about the feasibility of implementing any of the proposed governance models?

Yes

If yes, please provide specific reasons and supporting information for each governance models that you have concerns about:

How do you calculate local authority costs? So much geographical variations (All models).

Models 2 and 3 - what happens if market prices crash? How quickly could compliance schemes, organisations react?

Models 1, 3 and 4 - how do you combat fraud?

Models 1 and 3 - how do you distinguish household and household like with C&I? - The potential for fraud.

Models 1, 2 and 3 could fund collections of difficult to recycle materials eg Tetra Pack - Model 4 could phase it out altogether - what are the alternatives and unintended consequences of this?

59 Do you think that any of the governance models better enable a UK-wide approach to packaging producer responsibility to be maintained whilst respecting devolved responsibilities?

Please describe briefly.:

Model 2 would provide local authorities with the security they like - it is a safe bet. However, it is not best for consumers as it is bureaucratic and will create a big administration bill. There is no competition element, a monopoly.

Model 3 could also deliver this.

60 Stakeholders have suggested that a compliance fee mechanism similar to the arrangements currently in place under the WEEE producer responsibility scheme should be introduced if a competitive evidence market continues to operate such as in Model 1. Do you agree?

No

Please briefly state the reasons for your response and provide any information to support your view.:

The WEEE responsibility scheme compliance flat fee has failed to meet targets and thus is not a good example model.

61 Should a Packaging Advisory Board be established to oversee the functioning of the EPR system and the compliance schemes in the competitive compliance scheme model 1 or do you think other arrangements should be put in place?

Other – please provide details

Please briefly state the reasons for your response and provide any information to support your view.:

We believe a central body of some sort would be required to oversee Option 1 for 2 reasons:-

1) Local Authorities will be getting paid for a service where the outcome is unknown - this will require very close scrutiny.

2) There is huge geographical variation between local authorities and a central body would need to ensure that compliance schemes don't cherry pick the easiest, cheapest, better performing areas.

62 Please let us know your thoughts as to whether the proposed single management organisation should be established on a not-for-profit basis or as a government Arm's Length Organisation.

Please answer below:

Definitely a not-for-profit arms length organisation that is free from the central government politics that can effect decision making. We believe an independent organisation is best suited to addressing the interests of all stakeholders.

63 If such a management organisation is established as not-for-profit, one option is for government to invite proposals from potential operators and then issue a licence to operate for a defined period of time. Do you agree with this approach?

Yes

If no, would you like to suggest an alternative approach?:

We like the idea of a defined time period - this will help drive performance. However, there must be clearly defined KPIs on which to judge performance that takes

out governmental politics.

64 Should a single scheme be established for household/household-like packaging and C&I packaging as described for model 2?

No

Please briefly state the reasons for your response and provide any information to support your view.:

Household/Household like packaging and C&I waste are completely different entities. C&I waste management is established , successful and works very well within the current producer responsibility system.

65 Or, should there be a separate system for managing compliance for household/household-like packaging and C&I packaging as described for model 3?

Yes

If yes: could model 3 work as described? Or would additional mechanisms be required to make this approach work effectively? Please indicate what these might be.:

As described above, Model 3 could help local authorities with the certainty they require, whilst leaving C&I to work successfully as per the current system (EPR will bring further improvements still). Household and Household like will require the implementation of KPIs that provide funding based on outcomes.

If no: do you have suggestions for an alternative approach?:

66 Under model 4 are producers more likely to:

Manage their own compliance?

Please briefly state the reasons for your response and provide any information to support your view.:

Given the significant sums of money involved in this system and the potential cash flow implications of a deposit based system, we anticipate that producers are far more likely to manage their own compliance. They will want to own and control the materials they are responsible for.

Part C: 8. Responsible management of packaging waste domestically and globally

67 Do you agree that government should seek to ensure export of packaging waste is undertaken in a transparent and environmentally responsible manner?

Yes

Please briefly state the reasons for your response and provide any information to support your view.:

The majority of exports are established and operate in a compliant and environmentally responsible manner, as required by existing EU Waste Shipment Regulations, and whilst we acknowledge that some illegal operators have exploited the system, it is the exception as opposed to the norm. So, whilst we support the government's efforts to eradicate illegal exports, the government must absolutely ensure that compliant business is not restricted (which will otherwise only create more space for illegal activity). Instead, it is vital that the government ensures that the best environmental option for packaging waste can continue, especially whilst the UK's domestic recycling infrastructure is developing.

We also strongly believe that the same principles should be applied to the domestic market to ensure a level playing field and to eliminate similar practices that go under the radar.

68 Do you agree that measures identified here would help ensure the export of packaging waste is undertaken in a transparent and environmentally responsible manner?

I neither agree nor disagree

Please briefly state the reasons for your response and provide any information to support your view.:

We are very concerned here that the exporter is being subjected to unnecessary burdens. The UK is a net exporter of paper and plastics and although we expect to see investment in plastics processing in the UK, this will be a protracted process. We don't foresee any investment in UK paper and card processing capacity for the foreseeable future, yet 70% of the 3.65 m tonnes of cardboard we collected in 2018 was exported. So we need to be extremely careful of not restricting exporting at a time when we have no choice and the RWS requires markets to realise its ambitions. Do not let the actions of a small minority (illegals) tarnish the reputation of the majority compliant operators. Global markets have plenty of choice post China and expensive UK tonnage does not place the UK in a good position.

Measure 1 - Agree

Measure 2 - Cautiously agree to improve transparency but it is unacceptable to increase the costs for exporters in relation to domestic reproducers. If this is adopted then those whom collect domestically to feed their UK processing facilities should be subject to the same requirements to level the playing field.

Measure 3 - we agree that the regulators costs should be covered, but the increased fees for exporters should be covered by the producers using EPR revenue because exporters are covering the costs of finding markets for the materials producers put on the market. We also need to be very careful that we don't make snap decisions during the period of high PRN/PERN prices we are seeing at the moment. For many years the paper PRN/PERN bounced around below £1 per tonne and the cost of accreditation was often higher than the total PRN/PERN revenue.

Measure 4 - We agree with letting the authorities have as much information as possible to track shipments as this will benefit compliant operators. The system

has to be workable though and cannot be a barrier to business. Government needs to embrace technology here, particularly block chain technology which will provide the regulator with real time information. The Recycling Association has invested in developing a block chain system which works for the industry and will provide the regulator with all the information they require and will potentially save the regulator millions of pounds in their own investments.

Any interim measures should be made after consultation with industry to ensure it is fit for the purpose and fits in with future investment in technology.

Measure 5 - (See the block chain technology described in Measure 4). This is totally unworkable and will severely inhibit the functioning of UK industry. To a significant degree, exporting of recyclables is a just in time business model and although some forward ordering and scheduling of shipments is made monthly, this very much depends on how the market is functioning - for example, in a rising market, orders will be placed weekly or often daily to maximise revenues from rising prices. Similarly, agreed collection dates are constantly changing due to a variety of factors and "spot" orders are regularly placed to move excess stock. If 7 days notifications are adopted, revenues from the sale of materials will significantly decrease, risks will be introduced relating to the stockpiling of materials with all the permitting, fire and health & safety implications of this. It will also put the UK in a very weak competitive global position where export markets rely on their own just in time models which other countries will be better able to deliver.

Without markets, the RWS is a pointless exercise. This consultation does not address the issue of end markets and urgent dialogue is required with ourselves and others to find workable regulatory solutions, a lot of which can be covered by new technology.

Measure 6 - We agree with the principle of overseas inspections but not the potential cost mechanism. It is unreasonable that the exporter should again pick up the total cost. This should be funded by the producer under EPR.

We are also concerned about who exactly would pay for this. For example will each exporter have to pay separately every time they register a particular mill or will the cost be shared between all those who register. This should not be viewed as a revenue generator by the regulator which will again push up the costs of the exporter in a competitive marketplace. We believe that the regulator should, over time, produce an approved list of mills that meet broadly equivalent standards and exporters jointly pay for one approved certificate.

Measure 7 - We believe the government, industry and the regulator need to shift the emphasis to material quality before it leaves the country. Large tranches of the RWS are designed to achieve better quality and we should allow the system to work. Again, with the introduction of block chain technology, pre-inspection data will be freely available including loading photos to assist this process.

Also, there are many reasons why materials may be rejected other than for quality issues, eg the wrong bale size or the wrong wire configuration. If mandatory reporting of rejected shipments is introduced it will add to the growing admin burden, so it should be a risk based process eg for mixed plastics.

Measure 8 - We disagree with this measure as it amounts to a draconian enforcement power and it would place a disproportionate burden on legitimate exporters. Providing the information envisaged by measure 8 on a 'fully audited' basis will involve significant time and cost. Compliance with such a request would ultimately be outside of the exporters' control, because the information would need to be audited before submission (assuming 'fully audited' means a suitable audit report produced by a qualified auditor). Therefore, if this power were introduced, it would effectively add an additional and continuous audited reporting requirement for exporters. Will UK supplier's accounts be audited to the same degree? And again, it should be on a risk basis via a court order if there is reasonable suspicion that a serious offence has been committed, and such powers already exist under the Proceeds of Crime Act. We question whether this power would effectively address the intentional non-compliance of serious and organised crime. The regulator already employs auditors who have the ability to check all the paperwork relating to shipments and we have serious concerns about the justification for this proposed enforcement power..

Measure 9 - This is a really bad idea and will increase the complexity and costs of the system and would turn overseas processing facilities against using UK recyclates- it will also likely to lead to the UK missing targets.

There is a huge time lag with exported tonnage - for example, material can be shipped to China and not processed for 3 - 4 months after it leaves these shores, so how on this basis is the source of the material identified in the stock yard? Also, on this basis, the PERN is potentially not generated for 4 months putting it 1 or even 2 quarters behind. What would happen at year end when only December tonnage can be carried over at the moment?

Again, block chain technology would provide evidence when the material leaves these shores, and again, as outlined in Measure 7, we need to shift the quality emphasis to material before it leaves these shores.

Will the same system be applied to UK mills too? There is the assumption that they are using 100% clean material and that the evidence they produce is robust - can we prove this?

Measure 10 - Absolutely yes, this is the way forward. To sustain our industry and change cultures, our recyclates must be viewed as a commodity and not a waste. End-of-Waste is crucial in achieving this. If we adopt a lot of the measures outlined in 1-9, we are effectively advertising to global markets that we have no confidence in UK quality - this will limit available markets for the UK and will create downward pressure on prices. The UK has made massive strides in quality over the past 2 years and we need to build on this and ensure our commodities are fit for the purpose before they leave these shores and before they are fed into UK mills.

Please remember we are significant net exporters of many materials and this will not change for many years to come. We risk undoing subsequent RWS achievements if we further limit the already limited end market options we have.

100% targeted material is not possible anyway - it is not the intrinsic nature of recyclates eg as accepted by reprocessing mills in EN643. This is also accepted by the regulator in the current national protocols for PERNs where we are allowed 2.5% standard deductions.

69 Have we missed potential measures that you believe need to be considered alongside those measures we have proposed?

Yes

If yes, please explain which potential measures should be considered.:

As outlined above - the use of new technology and data supplied by industry.

We believe a much more risk based approach to materials exporting is required and the overwhelmingly compliant operators should not be penalised as a result of a minority of illegal operators.

Under EPR, producers should pay for the costs of any notification procedures and other required measures for the export of their materials.

70 Do you have any concerns about the feasibility and / or costs of implementing any of the proposed measures?

Yes

If yes, please provide specific reasons and supporting information for each measure that you have concerns about:

Balanced and compliant export markets are healthy for the industry and they will continue to be an absolute necessity for many years. Indeed the objectives of the RWS will not be delivered without them.

We need to understand that the vast majority of exporting is done so compliantly and it is crucial to understand that the current focus on export is almost entirely down to the focus on ocean plastics and the illegal actions of the few. We should not allow these irresponsible actions to limit the market opportunities for compliant materials and operators, and for this reason we urge government to take a more risk based approach.

To achieve this, we must embrace the use of new database technology, and most of the measures outlined above could be covered by the introduction of block chain technology which can be "bolted on" to all existing software systems. This will provide the agencies with all the data they require to identify and address the illegal operators whilst keeping the costs down for the legal operators. The Recycling Association represent a significant proportion of the legal exporters in the UK and we are happy to supply all the cradle to grave data the agencies require without inhibiting export procedures with unnecessary and expensive notification procedures etc. If this technology is adopted across the whole industry, then the opportunities to illegally export materials will be severely limited. The costs of this technology will be insignificant compared to the potential costs of delivering the proposed measures above as they stand.

Part C: 9. A more transparent system

71 Do you agree that accredited reprocessors and exporters should be required to report their financial information?

No

Please briefly state the reasons for your response and provide any information to support your view. If you answered no, how would you suggest transparency is provided on how income from the sale of evidence has been used to support capacity building?:

It assumes guilt by requiring companies to provide financial information. We need a risk-based process. It also leads to additional bureaucracy and costs for businesses. We have serious concerns about the justification for such a requirement. Please also see answer to question 68 regarding measure 8.

72 Should accredited reprocessors and exporters be required to generate evidence for every tonne of packaging waste that they process?

Yes

Please briefly state the reasons for your response and provide any information to support your view.:

This will provide more robust data and is a level playing field for UK and export.

73 Should accredited reprocessors and exporters be required to report on the packaging waste they handle monthly?

Yes

Please briefly state the reasons for your response and provide any information to support your view.:

If it helps collate data to improve the overall system. Shouldn't be too much of an admin burden.

74 Do you think that any additional measures to those already described would be required to ensure transparent operating of the evidence market in model 4?

I don't know

If yes, please provide details:

Possibly but we need far more detail on how Option 4 would work in practice before this question can be answered.

75 Are there any additional requirements that should be placed on compliance schemes to ensure greater transparency of their operations and reporting?

Yes

If Yes, please briefly state the reasons for your response and provide any information to support your view.:

Compliance schemes should be not-for-profit to ensure all funding stays in the system. This will encourage transparency. There also needs to be more transparency on the volumes they handle.

76 Under a reformed system do you think compliance schemes should continue to be approved by the existing regulators or do you think a different approach is required?

Yes, approved as now

Please explain below:

As long as the regulator has the funds to do the job properly. EPR should be required to cover this.

77 Are there any additional requirements of a single producer organisation to ensure transparency of its operation and reporting?

I don't know

If yes, please briefly state the reasons for your response and provide any information to support your view.:

78 Do you think there is a need to make more information on packaging available to consumers?

Yes

Please briefly state the reasons for your response and provide any information to support your view.:

This is a really good idea. The consumer is engaged but needs to be given far more information to make the decisions that influence their buying power. This will also provide a competition element to producers to advertise their sustainability credentials.

Part C: 10. Compliance monitoring and enforcement

79 Are there other datasets that will be required in order to monitor producers in any of the proposed models?

No

If yes please explain which datasets will be needed:

80 Is there a specific material, packaging type or industry sector whereby producing accurate data is an issue?

Yes

If yes, please provide further information on where producing accurate data may be an issue. :

We do not have enough knowledge on all sectors. We believe the data produced for paper fibre is robust but believe plastics to be a much greyer area.

81 Do you think a single database, as opposed to the current range of methodologies available, would be an effective alternative?

Yes

Please briefly state the reasons for your response and provide any information to support your view.:

It would make it a far simpler and transparent process

82 Do you agree that compliance schemes (models 1 and 3), the producer management organisation (model 2) or the scheme administrator (model 4) should be responsible for carrying out audits of producers, which should be reportable to the regulators?

Yes

Please briefly state the reasons for your response and provide any information to support your view.:

83 Do you support the broadening of legally enforceable notices to obtain required information?

I neither agree nor disagree

Please briefly state the reasons for your response and provide any information to support your view.:

This proposal should consider commercial confidentiality. A court order would usually be required for an accountant or supplier to furnish information which would otherwise breach confidentiality obligations, and a 'legally enforceable notice' may not be sufficient. Once obtained by the regulator, commercially sensitive information will potentially be available to the public under Freedom of Information Act / Environmental Information Regulations and therefore additional safeguards should be included.

84 Are there other enforcement mechanisms that should be considered which would be timely and effective to bring producers into compliance, for example in relation to free riders?

No

If yes, please explain which other enforcement mechanisms should be considered:

We think the reforms outlined in this document will be sufficient

85 Are there any further data that should be required to be collated / collected via compliance schemes or a single management organisation?

Please provide brief details.:

None apparent

86 Do you think a penalty charge, as described, is the correct lever to ensure packaging recycling targets are met?

Yes

Please briefly state the reasons for your response and provide any information to support your view.:

Cannot think of a viable alternative, but it must be of sufficient value to eliminate non-compliance.

87 Should stakeholders other than reproducers or exporters be able to issue evidence of recycling?

No

Please briefly state the reasons for your response and provide any information to support your view.:

At a time when we are trying to close loopholes and discourage fraud, we see no point in opening this up to other parties producing evidence. It can only result in greater risk and higher regulatory costs.

This could only be implemented anyway if End Of Waste is brought in at the Merchant/Depot/MRF level

88 Are there any additional enforcement powers that should be applied to waste sorters, MRFs and transfer stations handling packaging waste?

No

Please briefly state the reasons for your response and provide any information to support your view.:

Their costs are already prohibitive with all the other regulatory requirements. This system will not work if the regulatory burdens and costs are shifted down the supply chain.

89 Do you agree with the proposed amendments to enforcement powers relating to reprocessors and exporters?

Yes

Please briefly state the reasons for your response and provide any information to support your view.:

We are absolutely in favour of eliminating the illegal operators. Compliant operators should have no problems accepting these proposals in principle.

Given that the suspension of operators and removal of evidence is a draconian outcome, such powers should only be able to be exercised where there is a reasonable suspicion that a serious offence has been committed with an appeal mechanism to ensure due process.

Further details of revisions to the proposed enforcement powers are required however and proposals must be evidence based.

90 Do you have any evidence to indicate that under any of the proposed governance models the likelihood of waste packaging being imported and claimed as UK packaging waste might increase?

No

If yes, please provide information on any evidence you have:

The tightening up of the system per se would make it less likely

91 Is the current requirement for a sampling and inspection plan and subsequent auditing by the regulator sufficient to address any misclassification of imported packaging waste?

Yes

Please briefly state the reasons for your response and provide any information to support your view.:

This is already onerous but in our opinion it works

92 Are there other mechanisms that could be considered that would prevent imported UK packaging waste being claimed as UK packaging waste under the proposed governance models?

Yes

If yes, please explain which other mechanisms could prevent imported packaging waste being claimed as UK packaging waste:

Sharing of Annex VII data from, for example, the Republic of Ireland for cross border trade.

Digitisation and block chain technology will facilitate this.

11. Estimated costs and benefits

93 Do you have any additional data or information that will help us to further assess the costs and benefits (monetised or non-monetised) that these reforms will have?

Please answer below:

No

94 Do you have further comments on our impact assessment, including the evidence, data and assumptions used? Please be specific.

Please answer below:

No