

# Response to the Consultation on Producer Responsibility by the Advisory Committee on Packaging

## **Part II. Packaging**

*Question 4. Do you agree with the Government's proposal to replace operational plans and conditions of scheme registration with conditions for scheme approval as set out above? Please set out your reasons and include any evidence that would improve our assessment of the impacts of the proposals.*

- Yes in part. There is considerable scope to remove much of the routine and repetitive content of plans, but retain the core requirement for an annual obligation projection and PRN supply plan. This will reduce the administrative burden whilst still ensuring that producers and compliance schemes are fully aware of their responsibilities.

*Question 5. Do you agree with the Government's proposal to transfer the approvals process from the appropriate authority to the appropriate agency? Please set out your reasons and include any evidence that would improve our assessment of the impacts of the proposals.*

- Yes. The Agencies are better able to assess applications and applicants than Defra as they have a closer involvement with the day to day operation of the Regulations and can determine the application's merits within the wider operational context of the system. However, this needs to be supported by an appropriate appeals process to the Secretary of State should an application be refused on grounds that the applicant considers unreasonable. It is noted that there appears to be no appeals process in the draft Regulations and it is recommended that this be considered.

*Question 6. Do you agree that the "approved person" should be allowed to delegate responsibility for signing off reports? Please set out your reasons and include any evidence that would improve our assessment of the impacts of the proposals.*

- Yes. This will simplify the authorisation process without reducing the responsibility for ensuring that submitted data meets the regulatory requirements. In many companies, the authorised signatory is often completely removed from the data process and will rely on suitably experienced and knowledgeable staff to ensure that data is correct.

## **Part III. Call for evidence on Plastic Flow**

*Question 7. Do you have any evidence to support or refute the assumption made in Plastic Flow that the total weight of plastic packaging placed on the market will continue to be steady from 2015 to 2017?*

- No specific market evidence. However, the obligated reported data has remained relatively flat for many years. The graph at Appendix 1 shows the net conversion, net pack fill, filled imports and overall obligated position for plastic from data reported for 2006 to data reported for 2014. Whilst there is regular uncertainty over the level of filled imports, the decline in net pack fill – which includes the filled imports – offset by the steady rise in net conversion would seem to suggest that

overall, in line with the net obligated figure, the total weight of plastic placed on the market has been steady and will remain so.

*Question 8. Are you able to share with us any modelling or evidence that shows how PRN prices could respond to target changes?*

- It will depend on the relation of that target change to the likely PRN supply position. A target change that takes the demand side significantly beyond the existing supply side is likely to have a significant short term impact recognising market uncertainty as to the ability to meet the targets.
- However, this will vary between materials. Plastic and cardboard, for instance relate more to industrial and commercial waste and therefore tend to react quicker to PRN price changes thereby generally restricting the impact of increased targets. Glass and metals, on the other hand, are primarily collected from household waste and are less able to react quickly to increased target demand. As has been demonstrated regularly with packaging waste, it is extremely difficult to use targets to achieve an exact outcome and regardless of expectations, the market tends to react according to perceptions and will often therefore over-react with difficult consequences. Glass over the last 4 years has been an excellent example of this where at the current price, reprocessors and exporters struggle and at the previously inflated price, producers struggled. Graph 2 in Appendix 1 illustrates this. A similar graph is also shown for plastic as Graph 3.

*Question 9. Do you have other evidence about the potential impacts of keeping the plastic targets as they are, or changing them?*

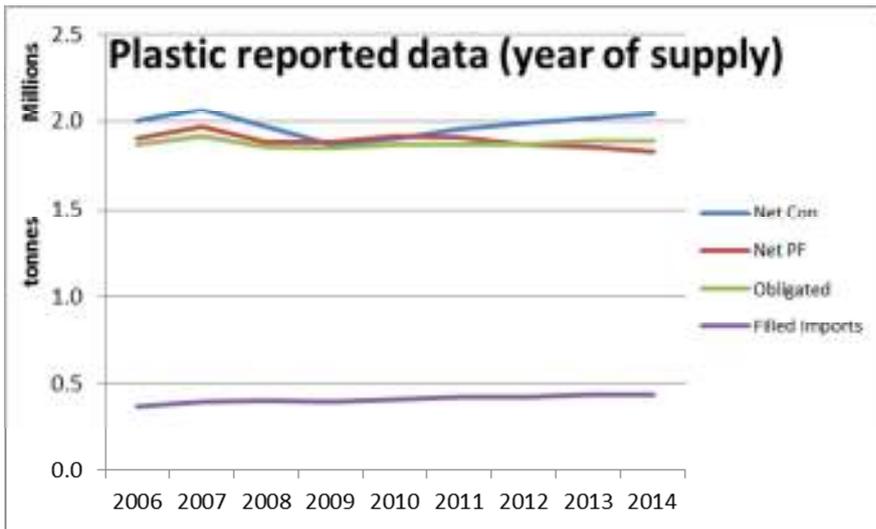
- Not at this stage. We would recommend this issue is considered by the ACP in more depth once the Circular Economy Package targets are known.

#### **Part IV – 2020 targets**

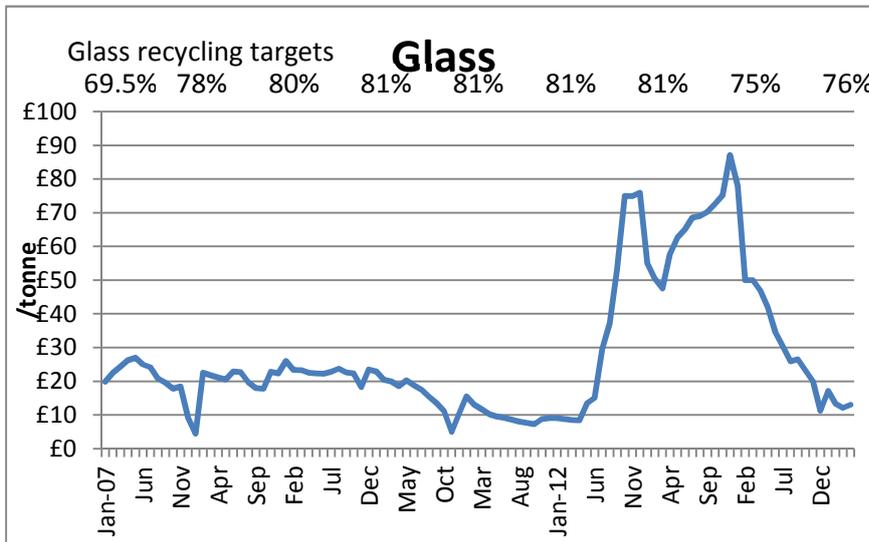
*Question 10. Do you have any evidence about the opportunities and barriers, costs and benefits for producers and compliance schemes to work with Local Authorities to increase the extent of collection of household packaging waste for recycling?*

- This is ongoing work within the ACP under the current Task Forces.

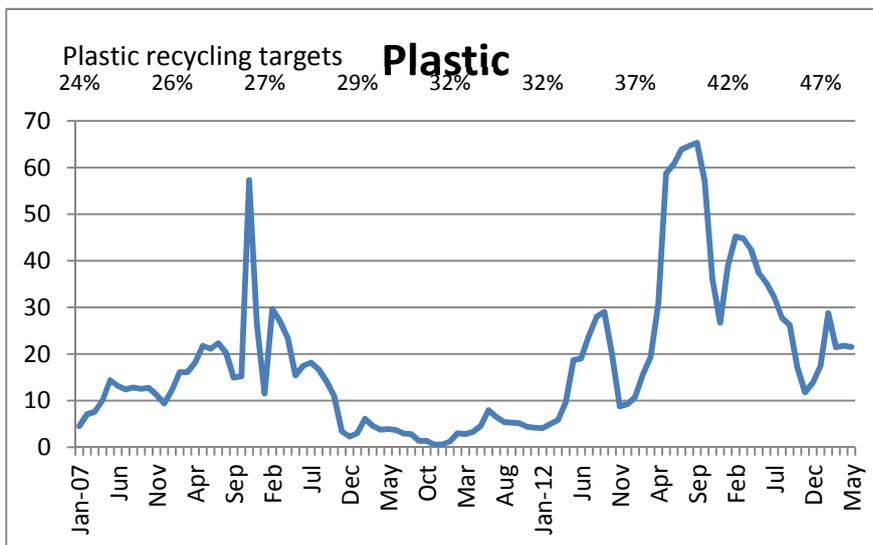
Appendix 1



Graph 1 – Reported data for the year of supply (from NPWD)



Graph 2 – Glass average monthly PRN prices\* (using melt price from Jan 2014)



Graph 3 – Plastic average monthly PRN prices

\*Monthly PRN prices are taken from t2e and reflect spot buying rather than the wider transactions that the bulk of PRNs are sold through. However, it is felt they are still relevant as they will certainly reflect the price trends.