

## **Department for Environment, Food and Rural Affairs**

### **Consultation on reforming the UK packaging producer responsibility system**

#### **Background to CIWEM**

CIWEM is the leading independent Chartered professional body for water and environmental professionals, promoting excellence within the sector. The Institution provides independent commentary on a wide range of issues related to water and environmental management, environmental resilience and sustainable development.

CIWEM welcomes the opportunity to respond to DEFRA on its consultation on reforming the UK packaging producer responsibility system. This response has been compiled with the assistance of members from our Waste Management Specialist Panel.

#### **Response to consultation questions**

We welcome the opportunity to respond to this consultation. We do not have detailed comments on the questions posed, but would make the following comments:

Packaging waste is high on the agenda, and public consciousness around packaging waste and environmental impact is at all-time high. Extended Producer Responsibility (EPR) is an important step in the move towards a circular economy and is a key feature of the EU's Circular Economy Action Plan, adopted in 2018. EPR can be used effectively to improve resource efficiency by encouraging and incentivising producers to invest in ways to re-use or recycle their products more easily, or design products which last longer – all of which will contribute to achieving the government's aims of becoming a world leader in resource efficiency.

With its foundations in the polluter pays principle, EPR means that a producer is responsible for the entire life-cycle of its product, including its repair, re-use, recycling, and disposal. As it means that producers are bearing the cost throughout the products lifecycle, the financial incentive ensures that they will find ways to reduce the costs associated with end-of-life products, encouraging more sustainable design, designing out waste or designing in reusability.

The Packaging Recovery Note (PRN) system, an EPR scheme for plastic packaging, aims to reduce the use of avoidable or unnecessary packaging. In order to this, it must successfully incentivise development and use of easy to recycle packaging, through making producers responsible for the costs of the whole lifecycle costs of their products. However, the current system does not encourage or reward recyclability in product design.

The PRN system has certainly played an integral role in increasing the UK's packaging recycling rates to date, but it urgently needs to be radically reformed to drive this further. We support the introduction of measures which ensure that business, producers and manufacturers are responsible for full net cost recovery of packaging they produce.

A reformed PRN system would give much needed confidence for industry to invest in improved infrastructure for reprocessing in the UK, which will be vital to achieving aims of Resources & Waste Strategy. We must stimulate packaging which is designed to be recycled, and therefore increase capacity to reprocess waste and recycle domestically.

We support the formation of an approved list of recyclables, which would be aid understanding amongst consumers and should result in higher quality recycling. We also support the introduction of mandatory uniform labelling of recyclable products, which would also increase public understanding. Well thought-out communications and a public education and engagement strategy is crucial to increase recycling rates and support the aims of Resources & Waste strategy. Funds recovered through the PRN system from producers should contribute to these costs, but government should drive this.

We would not want to see any unintended consequences of plastic packaging reform, and it is imperative that government bears in mind that not all packaging is bad. For example, packaging on fresh food produce elongates shelf lives and avoids food waste, but packaging must always be appropriate and proportionate.

The three key areas for reform of the PRN system are funding, increased transparency and disincentivising export of packaging waste.

#### *Funding*

Lack of Local Authority funding in the PRN system needs to be addressed as a priority, as Local Authorities currently unfairly pay the majority of costs of managing packaging waste. The onus should not be on LAs to shoulder the financial burden of managing waste produced by industry.

We support the introduction of placing full net costs of managing packaging waste on those businesses who use packaging and are best placed to influence its design to include recyclability, consistent with the polluter pays principle and the concept of EPR. Full net cost recovery is a crucial reform which is not a function of the current system. Currently, the cost to business is low, so there is little incentive for change. In order to incentivise the use of easier to recycle packaging, business should be responsible and obligated to pay for the full costs of collecting, sorting, treating and disposing of their packaging when it becomes waste. However, further work needs to be completed on how to manage fly tipping, or establishing when a producer has discharged its responsibility as far as possible.

Recycling provision for on the go packaging waste is currently patchy. Material which is collected is often low quality and has high contamination rates, and as a result is often not recycled and instead sent for disposal at high cost. LAs should be appropriately funded to manage collections, alongside an education programme/campaign for public to increase on the go recycling, and a Deposit Return Scheme for beverage containers which has been co-developed with plastic packaging reform.

There is little transparency in the way revenue from the PRN system is spent. Funds raised from increased PRN fees should be used to provide wider investment in waste material collection and recycling. The UK needs to increase the costs in order to improve the system. Higher contributions would increase the cost of packaging, and therefore encourage a reduction in its use.

### *Transparency*

Transparency in the existing PRN system is of particular concern, especially how funds are spent and who is obligated to pay into the system. We support reform of obligated producer thresholds, to bring in more producers under obligation and to avoid 'free riders' who have to date avoided any obligations or responsibility. It's important to spread the costs to all responsible producers and the introduction of a single point of compliance would be sensible in order to make the system easy to navigate.

We agree that accredited reprocessors should be required to generate evidence for every tonne of packaging waste that they process, to improve transparency and enable accurate monitoring and effective regulation of the system. Transparency in a new PRN system is also crucial to reduce fraud and ensure robust data when dealing with the substantial flows of money as a result of introducing measure for full net recovery.

Strong regulation is also key to an effective system. Compliance should be monitored, and appropriate enforcement action taken when necessary. Compliance should be overseen by a regulator which is adequately resourced and staffed with required expertise.

### *Exports*

We believe that the UK should practice responsible management of packaging waste both domestically and globally. Currently, the UK is particularly reliant on export markets for recyclates, which are shrinking. Historically, China has imported huge amounts of plastic waste – 7.3million tonnes in 2016 alone. The UK has exported more than 2.7million tonnes of plastic waste to China and Hong Kong since 2012, two-thirds of the UK's total plastic waste exports<sup>1</sup>. However, in 2017 China announced that it would stop importing several types of solid waste, including plastic bottles, containers and mixed paper.

Remaining markets for recyclates and receiving countries have inadequate waste and recycling processing arrangements, and we strongly advocate that environmental harm is not exported elsewhere. The public assume that when they sort their waste for recycling that it is handled responsibly, and it is essential that they have confidence in the system. The system should no longer incentivise PERNs or exports, and must prioritise and incentivise domestic and responsible reprocessing.

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<sup>1</sup> Chinese ban on plastic waste imports could see UK pollution rise  
<https://www.theguardian.com/environment/2017/dec/07/chinese-ban-on-plastic-waste-imports-could-see-uk-pollution-rise>