



Department  
for Environment  
Food & Rural Affairs

# Consultation on changes to packaging recycling business targets for paper, steel, aluminium, wood and overall recovery and recycling for 2018-20

Summary of consultation responses

August 2017



Llywodraeth Cymru  
Welsh Government



Department of  
**Agriculture, Environment  
and Rural Affairs**  
[www.daera-ni.gov.uk](http://www.daera-ni.gov.uk)



The Scottish  
Government



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Any enquiries regarding this publication should be sent to us at

[packaging@defra.gsi.gov.uk](mailto:packaging@defra.gsi.gov.uk)

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# Introduction

In November 2016, the Government published a consultation<sup>1</sup> which invited views on proposals to introduce new targets for 2018-20 for paper, aluminium, steel, wood and overall recovery and recycling in the Producer Responsibility Obligations (Packaging Waste) (Amendment) Regulations 2007 (as amended)<sup>2</sup> and the Producer Responsibility Obligations (Packaging Waste) (Amendment) Regulations (Northern Ireland) 2007 (as amended)<sup>3</sup>. These Regulations are referred to as “the Packaging Regulations” in the rest of this document.

## Background

Since 1997, the UK has had a statutory producer responsibility scheme for packaging recycling, which implements the Packaging and Packaging Waste Directive (94/62/EC, as amended – hereafter referred to as ‘the Packaging Directive’). This reduces the amount of packaging waste going to landfill and reduces the environmental impacts in a way that is better for the environment and natural resources than landfill. It does so by setting minimum recycling and recovery targets on UK businesses in the packaging supply chain. The current targets for paper, aluminium, steel and wood packaging, and overall recovery and recycling within the Regulations are only set until 2017.

The existing business targets for 2013-17 were consulted on in 2011 and final targets announced at Budget in March 2012<sup>4</sup>. The targets were set using the best evidence available from business at the time. Targets for glass were revised in 2014<sup>5</sup>, following the publication of the GlassFlow report<sup>6</sup> which showed that that underlying estimates of glass packaging placed on the market used to calculate the targets was inaccurate. In 2015, following the publication of the PlasticFlow<sup>7</sup> report the plastics targets were also amended for 2016-7, along with the establishment of new targets for plastic and glass for 2018-20. The Statutory Instrument that made these amendments came into effect in December 2016.

The business targets for the other packaging materials (paper, steel, aluminium and wood), as well as the overall recovery and recycling targets, expire in 2017. The Packaging Directive requires member states to achieve a specified minimum recycling and recovery rate each year until such time as the Directive is amended. Therefore, without packaging recycling and recovery targets beyond 2017 the UK would potentially be at risk

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<sup>1</sup> <https://consult.defra.gov.uk/waste/packagingtargets2018-20/>

<sup>2</sup> [http://www.legislation.gov.uk/ukxi/2007/871/pdfs/ukxi\\_20070871\\_en.pdf](http://www.legislation.gov.uk/ukxi/2007/871/pdfs/ukxi_20070871_en.pdf)

<sup>3</sup> <http://www.legislation.gov.uk/nisr/2007/198/contents/made>

<sup>4</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/82441/packaging-ia.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/82441/packaging-ia.pdf)

<sup>5</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/294272/packaging-targets-ia.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/294272/packaging-targets-ia.pdf)

<sup>6</sup> <http://www.wrap.org.uk/sites/files/wrap/GlassFlow%20Final%20Report.pdf>

<sup>7</sup> <http://www.wrap.org.uk/sites/files/wrap/GlassFlow%20Final%20Report.pdf>

of both breaching our Packaging Directive requirements and not delivering our domestic policy.

The consultation, which ran from 29 November 2016 to 6 January 2017, proposed options for new material specific recycling targets for paper, steel, aluminium and wood and new overall recovery and recycling targets from 2018-20.

In summary, the 3 options included in the consultation document and Impact Assessment were:

- Option 1 – the “do nothing” option whereby current targets would be rolled forward for 2018-20
- Option 2 - proposed ambitious targets that would put the UK on a trajectory to meet material specific and general recovery and recycling targets proposed for 2025 and 2030 in the draft EU Circular Economy Package<sup>8</sup>.
- Option 3 – proposed targets based on the ‘optimum’ level of recycling for each material and the general recycling and recovery targets, based on analysis of the costs and benefits associated with diverting additional tonnes from landfill to either energy recovery or reprocessing for each material.

<b>Option 1</b>			
	<b>2018 Business Target</b>	<b>2019 Business Target</b>	<b>2020 Business Target</b>
<b>Paper</b>	69.5%	69.5%	69.5%
<b>Aluminium</b>	55.0%	55.0%	55.0%
<b>Steel</b>	76.0%	76.0%	76.0%
<b>Wood</b>	22.0%	22.0%	22.0%
<b>Total Recovery</b>	79.0%	79.0%	79.0%
<b>Total Recycling</b>	72.7%	72.7%	72.7%
<b>Option 2</b>			

<sup>8</sup> [http://ec.europa.eu/environment/circular-economy/index\\_en.htm](http://ec.europa.eu/environment/circular-economy/index_en.htm)

	2018 Business Target	2019 Business Target	2020 Business Target
<b>Paper</b>	71.0%	73.0%	75.0%
<b>Aluminium</b>	57.0%	59.0%	61.0%
<b>Steel</b>	79.0%	82.0%	85.0%
<b>Wood</b>	38.0%	43.0%	48.0%
<b>Total Recovery</b>	80.0%	82.0%	85.0%
<b>Total Recycling</b>	73.6%	75.4%	78.2%
<b>Option 3</b>			
	2018 Business Target	2019 Business Target	2020 Business Target
<b>Paper</b>	70.0%	71.0%	72.0%
<b>Aluminium</b>	58.0%	61.0%	64.0%
<b>Steel</b>	78.0%	80.0%	82.0%
<b>Wood</b>	25.0%	28.0%	31.0%
<b>Total Recovery</b>	80.0%	81.0%	82.0%
<b>Total Recycling</b>	73.6%	74.5%	75.4%

## About this document

This document provides a summary of the responses received to the consultation and the government response. This document does not attempt to repeat the background information given in the consultation paper and only provides a limited amount of context for the options and related questions. Please refer to the consultation document for detailed information which is available at

<https://consult.defra.gov.uk/waste/plasticandglasstargets>

This document lists all of the questions asked in the consultation and summarises the responses received.

## Consultation questions

**Q. 1. In your view, are the estimates made in the Flow reports for waste arisings the best available data?**

**Q1a. Are you aware of any other factors which may affect the level of packaging waste entering the waste stream?**

**Q2. In your view, are there other factors which may affect the levels of obligated tonnage reported?**

**Q3. Do you have any additional information or evidence to improve the analysis of the costs and benefits?**

**Q4. What is your preferred option? And why?**

## Summary of Responses – group breakdown

A total of 45 responses received (including those which did not express a preference for any option), split across stakeholder groups as follows:

Producer Compliance Schemes	11 (24%)
Producers	2 (4%)
Reprocessors	4 (9%)
Trade associations	16 (35%)
Regional/Local Government	4 (9%)
Consultancy	4 (9%)
Waste Management	1(2%)
Individual	1(2%)

### Number of responses which expressed a preference for a given option

It has not been possible to give a direct breakdown of support by option, as a large number of responses supported certain material-specific targets from more than one of the consultation options. Therefore, the table below shows the specific support for each individual material-specific target in each option, rather than just support for the option overall, as well as where respondents suggested alternatives to the consultation options.

	Option 1	Option 2	Option 3	Alternative
Paper	5	14	19	-
Steel	5	13	20	-
Aluminium	5	7	23	3
Wood	5	13	16	4
Overall recovery/recycling	5	12	21	-



# Responses

## General points

Nine (20%) respondents suggested hybrid options, taking some of the materials targets from Option 2 and some from Option 3 to create new proposals.

There were also a further 3 responses which proposed different targets for aluminium and 4 for wood from those in the consultation options.

For aluminium, there were two alternative proposals:

- 65%, 67%, 69%
- 58% in 2017, then 60%, 62% and 64%

For wood, all four respondents who suggested alternative proposals proposed 28%, 34% and 40% for 2018-20 respectively.

There were also 4 responses which provided comments, but did not express an agreed position on the suggested Options. This was because the organisation's members had diverse views and an overall agreement to support one of the options could not be achieved.

## **Q. 1. In your view, are the estimates made in the Flow reports for waste arisings the best available data?**

27 respondents (60%) agreed that the source data was the best available and that there were no alternative sources that should have been considered as part of the Impact Assessment.

One respondent (a Local Authority) disagreed; their response argued that the Impact Assessment did not fully take into account recent oil pricing on purchasing decisions and the subsequent potential effects on material substitution. The Government view is that this was a factor considered in the various PackFlow reports that informed the Impact Assessment and so have been suitably taken into account in the analysis.

The other responses made no comment on this question.

## **Q1a. Are you aware of any other factors which may affect the level of packaging waste entering the waste stream?**

Several respondents commented that the assumed level of free-riding under the Regulations was actually significantly higher than estimated. However, there was no evidence presented to support these assertions.

It was also suggested that there would be higher output for metal recycling from increased Energy from Waste (EFW) and Mechanical and Biological Treatment (MBT) for residual waste. We are not aware of quantitative data to support the suggestion and nothing was provided by the respondents.

Four respondents felt that the impact of EU exit should be factored into any proposals, taking into account possible changes to definitions within the Directive and any possible changes to as a result of trade negotiations. It was felt this could have a major impact on export markets of waste packaging. The proposals for the consultation were based on the best available data at the time, recognising that the negotiations of the EU's Circular Economy Package were still ongoing and that there is still uncertainty as to whether the UK may be required to implement the final result of those negotiations. The proposals also took account of the fact that, until at least 2019, the UK will still be part of the EU and subject to the requirement to have functioning regulations in place.

One respondent noted that the industry global growth rate for paper was predicted at 2% in a recent report and so suggest a 1% growth rate should be applied to the data (which was set at 0% in the Impact Assessment). However, no supporting documentation was provided, so the original estimation of 0% growth was maintained.

There was also the suggestion that material substitution between aluminium and steel could have an effect on the overall levels of consumption, as well as some societal factors, such as changing buying habits. The respondents did not provide any quantification of the possible substitution or how the changing buying patterns could affect the overall waste arising and so no amendments were made to the base data.

## **Q2. In your view, are there other factors which may affect the levels of obligated tonnage reported?**

Twenty one respondents (47%) replied that they were not aware of other factors or declined to comment as they felt that they were not in a position to provide additional information.

As for Q1a, respondents raised concern about the level of "free-riding", as well as the accuracy of some the reporting though there was no concrete evidence provided by respondents on these issues.

One respondent questioned whether the new provisions in the EU's Circular Economy Package (CEP) may have an influence on the levels of re-use across the sector, though it was impossible to put a figure on the likely changes. The potential impacts of the proposed Circular Economy package measures as they stood at the time of consultation have been factored into the analysis, where possible.

As obligated tonnage is linked to overall economic performance of the UK, some responses stated that the overall performance of the economy needs to be taken into account and that the base data used to make the projections needs to be reviewed on a regular/annual basis to ensure accuracy. The PackFlow reports which form the basis of the data for the Impact Assessment do take the overall economic performance of each sector into account when estimating growth rates. This data is reviewed on a regular basis by Defra when assessing the overall recycling rates.

### **Q3. Do you have any additional information or evidence to improve the analysis of the costs and benefits?**

No additional substantive sources of information or evidence were suggested by respondents. It was suggested that other factors should be included in the environmental assessment, rather than just carbon impacts. Water depletion, a major issue for paper reprocessing, was put forward as another metric to be included in future impact assessments. However, this is not a metric that has previously been used as part of the assessment process, and the respondent did not provide background information to allow the necessary additional cost-benefit analysis.

The costs associated with the collection of aluminium were questioned, with the suggestion that the costs per tonne used in the Impact Assessment were too high. However, the respondents did not propose alternative costs and so no change has been made.

One respondent felt that the increase proposed for wood targets could lead to price rises for PRNs, especially in wood, with £25/t as a suggested upper limit, though the PRN prices for steel and aluminium are unlikely to rise significantly. This information was included in the sensitivity analysis for the updated Impact Assessment.

### **Q4. What is your preferred option? And why?**

#### Option 1

Respondents who supported Option 1 generally felt that the UK is already potentially “over-complying” by setting domestic targets higher than the minimum required by the Directive and that there is no sound justification for increasing the targets beyond these levels.

Option 1 was regarded as not appropriate by several respondents, as they felt it did not match the perceived level of ambition from the Government and Devolved Administrations.

#### Option 2

Option 2 received support on the basis that some respondents felt it was the most ambitious option. Respondents cited the current Circular Economy Package being negotiated in the European Parliament and the likely increased level of targets that may be included, as a significant factor in their views. They also suggested that these targets should take into account the longer-term position and aspiration for the UK.

However, there was also a view expressed by two respondents that changes to the current regulatory systems would be needed in order to deliver the targets in Option 2, such as full separate packaging waste collection and changes to Packaging Waste Recovery Note system to allow for greater direction and transparency of funding.

#### Option 3

The targets proposed in Option 3 were supported by the most respondents, citing the proposal as the pragmatic option; taking into account the respective position of each

material in terms of costs and benefits. Some respondents felt that Option 3 would also put the UK on track for the majority of the targets that have been proposed in the Circular Economy Package, as well as providing the right level of ambition on a domestic basis.

## General comments

Several other wider comments were made in relation to the targets and consultation:

- The impact of Circular Economy Package was a serious concern for a number of respondents, specifically the proposed requirement to move to a different 'extended producer responsibility' model which would have profound implications for current UK system. The Circular Economy Package is still under negotiation and it is not yet clear whether the UK will be required to implement its provisions in light of EU Exit negotiations. Therefore, this point has been noted but not factored into the analysis for specific targets.
- Some respondents' view was that the Packaging Waste (Exports) Recovery Note is resulting in the incentivising of export of waste at the expense of domestic reprocessing and that the system should take steps to redress the balance. Defra, working through the Environment Agencies, has previously reviewed the position in relation to the protocols used to export packaging waste, as well as the end of waste position for materials, to address the perceived imbalance. Whilst this issue is not directly relevant to the targets, Defra will continue to review the situation.
- It was also noted that the options should not be seen in isolation and need to take into account other waste policies, namely the 50% household waste recycling target and should be set to support them. This was used as a factor in deciding the consultation proposals and the final targets.

## Government Response

Whilst Option 3 received the largest amount of support, there was also significant support for Option 2.

The majority of respondents agreed that the data used to underpin the proposals was as accurate as possible and represented the best available information on which to base any decision. There were no significant additional sources of information or evidence proposed in the responses, though a number of discrepancies with the Impact Assessment were highlighted. These have now been resolved in the final version which will be published alongside this summary.

In light of the comments received, the Government intends to amend the targets in line with Option 3 for paper and wood packaging plus overall recovery and recycling, but use the targets from Option 2 for aluminium and steel packaging.

The targets in Option 3 received significant support and there is a strong case for setting targets based on the best environmental outcome. For paper and wood packaging, we accept the view that there is limited environmental benefit, and potentially increased costs, for significantly raising targets.

The decision to take forward the targets from Option 2 for metals, despite a number of respondents making the case for even higher targets, is based on the balance of relative costs associated with further increasing the targets. Whilst there would be an environmental benefit, there would also be significant costs which could not be justified at this time.

This decision also reflects the number of respondents who suggested a hybrid set of targets, based on the desire to set challenging targets for materials where there was a strong environmental case.

Therefore, the targets that we intend to set in legislation will be:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Paper</b>	71.0%	73.0%	75.0%
<b>Aluminium</b>	58.0%	61.0%	64.0%
<b>Steel</b>	79.0%	82.0%	85.0%
<b>Wood</b>	38.0%	43.0%	48.0%
<b>Recovery</b>	80.0%	81.0%	82.0%
<b>Recycling</b>	73.6%	74.5%	75.4%

## Annex 1

### List of Respondents

1	British Toy and Hobby Assoc
2	Leeds City Council
3	Outpace
4	British Metal Recycling Assoc
5	Confederation of Paper Industries
6	Harry Fenton
7	Spar UK
8	360 Environmental
9	Alupro
10	DS Smith
11	WPIF
12	Pennine Pack
13	Ethical Compliance
14	Co-op
15	Wastepack Group
16	The Environment Exchange
17	tech UK
18	Resource Association
19	Chemical Business Assoc
20	Merseyside & Halton Waste Partnership
21	Valpak
22	Environmental Services Assoc
23	Toddpak
24	ARC 21
25	Ace UK
26	Food and Drink Federation
27	Metal Packaging Manufacturers Assoc
28	Kronospan
29	SITA SUEZ
30	Properpack (VES)
31	Novelis
32	The Independent Packaging Environment and Safety Forum
33	Ecosurety
34	Tata
35	Wood Recyclers Assoc (WRA)
36	British Retail Consortium
37	Biffpack
38	INCPEN
39	LARAC
40	ComplyDirect
41	REPIC
42	NIPAK/Scotpak
43	NFA (Non-ferous alliance)
44	Richmond and Wandsworth Councils
45	SAM Mouldings

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