

Plastic packaging tax: consultation

Chapter 2 About you

1 What is your name?

Councillor EJ Poll

2 What is your email address?

wastestrategy@lincolnshire.gov.uk

3 Which best describes you? Please provide the name of the organisation/business you represent and an approximate size/number of staff (where applicable).

(Please tick only one option. If multiple categories apply to you, please choose the one which best describes you and which you are representing in your response.)

- Business representative organisation/trade body
- Packaging designer
- Packaging manufacturer / converter
- Product manufacturer / pack filler
- Distributor
- Retailer
- Waste Management Company
- Reprocessor

• Local government

- Community group
- Non-governmental organisation

- Charity or social enterprise
- Consultancy
- Academic or research
- Individual
- Other
- 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.

The Lincolnshire Waste Partnership (LWP) brings together the public bodies within Lincolnshire responsible for collection and disposal of waste, including:

- Seven Waste Collection Authorities (WCA's) – Boston Borough Council, City of Lincoln Council, East Lindsey District Council, North Kesteven District Council, South Holland District Council, South Kesteven District Council and West Lindsey District Council; and
- One Waste Disposal Authority (WDA) – Lincolnshire County Council.

5 Would you like your response to be confidential? Why?

No

Chapter 3

Plastic packaging within scope of the tax

6 Do you agree with the government's suggested approach to defining plastic in scope of the tax?

7 Do you agree with the government's suggested approach to defining packaging and packaging materials in scope of the tax?

Agree

8 Is the government's approach to components of plastic packaging consistent with the way businesses operate and packaging is created?

9 Which of the above options for defining plastic packaging for composite material items do you think works better for the purposes of the tax?

10 Do you think alignment with the reformed Packaging Producer Responsibility regulations is important for the purposes of the tax?

Yes – Different aspects of policy need to be harmonised as much as possible.

Chapter 4

Driving recycled content

- 11 Do you agree with the government's suggested approach to defining recycled content for the purposes of the tax?
- 12 Are there any environmental or technical reasons to consider excluding any particular ways of recycling plastic?
- 13 Is there any way that the proposed approach to defining recycled content could encourage unintended consequences, such as wasteful manufacturing processes?
- 14 Do you agree with the government's preferred approach of a single threshold, and why? If not, what alternative would be better, and what are the risks associated with this? Please explain your answer and provide any supporting information and evidence.

No. A single threshold has two unintended consequences:

1. Those already better than threshold – No incentive to do any better. May even encourage them to see the threshold as a target, thus reducing recycled content to that level.
2. Those considerably worse than threshold (e.g. zero recycled content) – No incentive to make small gains. If no intermediate threshold exists, they may choose zero content rather than working towards the threshold for no immediate tax benefit.

Possibly consider an outright ban on importing packaging with less than 30% recycled content.

- 15 Assuming a single threshold, do you agree with a 30% threshold for recycled content and why?
- 16 Are there any products for which it would be very challenging to increase the level of recycled content, and why? If so, please outline the effect of a tax on production decisions and consumption of these items.
- 17 Are there any products for which the use of recycled plastic is directly prohibited in packaging? If yes, please provide details on these products stating the relevant legislation and industry standards as well as the effect of a tax on production decisions and consumption of these items.
- 18 What evidence is currently held by liable manufacturers and importers on the levels of recycled content in their plastic packaging and how it might be able to meet the requirements of identifying recycled content levels?
- 19 If you are an importer of unfilled plastic packaging or plastic packaging material, what information do you hold on the recycled content? What controls or assurance do you have over the accuracy of this information? How might you influence the level of recycled plastic content?

Chapter 5

Setting the tax rate

20 Do you agree with the government's suggested approach of setting a flat rate per tonne of a plastic packaging product? Why?

No. If it were instead **per tonne of non-recycled content**, that would incentivise better performance – See answer to Question 14.

Chapter 6

Liability for the tax

Questions

- 21 Do you agree with the proposed points at which domestic or imported products would be liable for the tax? If not, at what point in the supply chain do you think the tax point should be and why?
- 22 Are there any situations where the proposed tax points would be administratively, practically or legally difficult? Please explain any adaptations that might be necessary.
- 23 If you are a business that produces or imports plastic packaging, how much of your yearly production, in tonnes, would you expect to be liable for the tax?
- 24 Do you provide (manufacture or import) plastic material which could be used as packaging without knowing the final use of the product? Is this a common occurrence?
- 25 Would you support extending joint and several liability for UK production, and for imports?
- 26 Please outline any issues in relation to routine wastage or spillage that may have an impact on the tax liability.
- 27 Do you agree with the government's initial proposal that the tax at import should only apply to unfilled packaging? If not, what would the effects be? What alternative would you prefer and how would it work?

Chapter 7

Treatment of exports

- 28 Do you agree with the government's suggested approach for crediting exports?
- 29 Do you foresee any difficulties in providing appropriate records to demonstrate that packaging has been exported?

Chapter 8

Excluding small operators

- 30 Do you agree that the government should seek to exclude small operators? If yes, what would the risks be if the government didn't do this?
- 31 Would Option 1a, Option 1b or Option 2 best meet the government's objective of excluding small operators from the tax whilst ensuring the tax has a strong environmental rationale?
- 32 What factors should the government consider when setting a threshold (either on volume or turnover) or a relief? Do you have any suggestions for appropriate levels? If so, please provide an explanation for why you believe this is appropriate.
- 33 Would having a de minimis create any significant risks to the effectiveness of the tax at import (including, but not limited to, treatment of multiple imports from the same exporter/manufacturer/brand owner)? If yes, please provide evidence and suggest any additional legislative or operational countermeasures.
- 34 Do you anticipate any risks or issues that would arise from introducing a de minimis that aren't explored above? Please provide details.

Chapter 9

Registration and reporting

- 35 Do you agree that the registration and reporting requirements outlined are appropriate? If not, please specify why.
- 36 Please provide details of the estimated one-off costs for registering with HMRC.

- 37 Please provide details of the expected one-off and on-going costs of completing, filing, and paying the return.

Chapter 10

Ensuring compliance

- 38 Is the government's suggested approach to compliance proportionate and appropriate? If not, please outline any scenarios that you anticipate may require bespoke compliance powers or penalties?
- 39 Are our anti-abuse proposals sufficient to tackle the risk of fragmentation (abuse of the de minimis or universal relief) from UK based plastic producers?
- 40 Is our approach regarding assuring the accuracy of declared recycled content appropriate? If not, please share any other suggestions you may have.
- 41 Do respondents believe that using UK based agents for non-established taxable persons may help support compliance?
- 42 Are there any further compliance risks that have not been addressed in this chapter, please provide details?

Chapter 11

Understanding commercial practices

- 43 If you are a business, what is your annual turnover?
- 44 Are you currently obligated under the Packaging Producer Responsibility system?
- 45 If you manufacture or handle plastic packaging, which sector(s) do you provide it to?
- 46 If you manufacture or handle plastic packaging, can you please provide an overview of the types of plastic packaging products as well as the tonnages and the levels of recycled content in each? Do you expect this to change over the next 5 years?
- 47 If you manufacture or handle plastic packaging, how much of this packaging is produced domestically, exported and/or imported?
- 48 If you process or handle recycled plastic, do you export or import any? If so, how much, and where from/to?

- 49 If you manufacture plastic packaging, can you please provide an overview of the prices of some of your plastic packaging products. Can you also provide information on how these costs break down according by material costs, labour costs, other operating costs and profit?
- 50 If you manufacture or handle plastic packaging, can you please describe how plastic packaging prices fluctuate? How much do prices vary, and what are the main causes, e.g. fluctuations in exchange rate, oil and other commodity prices, etc.?
- 51 If you manufacture or handle plastic packaging, how long does it take you (in months) to increase the recycled content of your product? What factors are important in determining this length of time?
- 52 If you manufacture or handle plastic packaging, would the tax incentivise you to speed up any current plans to increase recycled content? To what extent? How quickly?
- 53 If you manage waste, how long would it take you to set up the systems required to supply more plastic waste for recycling/recycle more plastic? How much could you produce?
- 54 If you manufacture plastic packaging, how would the tax affect the amount and price of product you produce? In cases where you weren't able to increase recycled content, would you pass the price of the tax down the supply chain?
- 55 Is there anything else you would like us to note about how your business operates and how you think it would be impacted by the tax?

Chapter 12

Assessment of other impacts

- 56 Unless already covered in your responses to other questions within this document, is there anything else you would like us to note about the impact of the tax, especially any potentially adverse impacts on groups with protected characteristics?

- Need to guarantee that Local Authorities (who pay for collection and disposal of plastic packaging) will receive at least some of the funds raised by the tax.
- Any funds retained by government should be ring-fenced for waste-related activities.

Also, please consider how to address the use of tape and filling (with zero recycled content, and non-recyclable) with cardboard packaging – e.g. by Amazon. In particular, what measures can be taken where:

- o A cardboard box with 30% recycled content has so much tape and filling added that the overall recycled content is much <30%.
- o A recyclable cardboard box is rendered non-recyclable by the addition of a large quantity of tape – Unless great care is taken to remove all the tape before binning.