

The plastics packaging tax: Will we be ready?

July 8, 2021

What technical, legal and commercial challenges will businesses face in transitioning to 30 per cent recycled plastics content? Darren Dodd reports*

As if 2020 hadn't given businesses enough to worry about, the UK Government's policy paper on the introduction of the Plastic Packaging Tax was published in November. The tax, which will take effect from April 2022, aims to provide a clear economic incentive to businesses to use recycled materials in the production of their plastics packaging.

The £200 (\$275) per tonne tax will apply to all plastics that contain less than 30 per cent recycled content, and will affect UK producers of plastics packaging, importers of plastics packaging, business customers of producers and importers of plastics packaging, and consumers who buy goods in plastics packaging in the UK. This means that there are no neat little 'get out clauses' and the tax will impact any manufacturer who uses plastics packaging as part of their business.

Now, we all know that Climate Change needs to be addressed for ours and the future generations' benefit. However, as with any very targeted tax, it fails to address the negative aspects of plastics packaging in a more holistic way. Although the idea of creating an incentive to use recycled plastics material seems good on paper, what are the technical, commercial and legal issues surrounding so many businesses looking to increase their recycled content at the same time?

Technical challenges

The reason that plastics has proved so popular over the years is that it is light, robust and cost-effective as a packaging material. It also looks good on retailers' shelves and has helped boost the shelf life of a myriad of fresh and household products. Although adding recycled content to plastics packaging seems like a good idea, there are a range of technical challenges to overcome.

The addition of recycled content to rigid plastics might be a fairly straightforward process but there are specific challenges to overcome when adding it to films and flexible plastics packaging, particularly those that contain food stuffs. For example, plastics packaging that is used to protect food products needs to be EFSA approved. To show how complex the issue is, in February 2015, EFSA published a scientific opinion on the safety assessment of two processes used to recycle HDPE bottles for use as food contact materials.

EFSA's experts concluded that for using recycled HDPE in trays for dried whole fruits and vegetables (including mushrooms), the processes were safe. However, they also found that the available data was insufficient to conclude on the safety of these processes for the main use of these materials, which is in plastics milk bottles and trays for animal products. The experts requested additional data to further assess the safety of this process, while underlining that this outcome does not signify that bottles manufactured with this recycled material are unsafe.

Commercial challenges

The Waste Resources & Action Programme (WRAP) stated in its 2019 report that: "Lack of material availability is a key barrier to achieving the UK Plastics Pact target of 30 per cent average recycled content across all plastics packaging."

This lack of availability raises a range of commercial challenges. Principally, how can plastics packaging providers guarantee consistency, quality and price, when the disjointed UK infrastructure of the present plastics recycling schemes means that there is limited access to large-scale recyclate supply? Also, the increased demand for recyclates on commonly (and less frequently) used plastics will place increasing pressure on availability in the short-term, driving up prices that will inevitably have to be passed onto consumers.

Legal challenges

As well as the technical and commercial challenges, there are also legal issues to be considered. A major one is the lack of regulatory approvals for new food contact materials. This is a roadblock to packaging producers hoping to avoid paying the packaging tax and the problem doesn't look set to be resolved anytime soon. This is particularly due to the fact that Brexit has called into question who will take on EFSA's role to approve suitable recycled food contact materials once the transition period is ended?

Also, with many UK-based manufacturers buying in packaging from abroad as well as from UK sources, there will be an additional burden of proof needed as to who has paid what packaging tax, when and where.

So, will we be ready?

A lot of questions still need to be answered before the April 2022 deadline arrives. Will the UK's recycling infrastructure be more co-ordinated and able to deliver the recyclate plastics that will be needed? Another is will there be approved recycled food contact materials for films and flexible packaging?

As an industry it remains to be seen whether the Government's plastics packaging tax will deliver the circular economy it is hoping for, but one thing's for sure, whether we like it or not, the clock is ticking.

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