

Establishing a Section 18 EPR Scheme for **PACKAGING AND PLASTICS**

The countdown to extended producer responsibility (EPR) scheme implementation commenced in May 2021 following the gazetting of Section 18 of the Waste Act in November last year. **ReSource** speaks to Anton Hanekom and Shabeer Jhetam* about the implications and opportunities for their sectors.

Long before the latest round of EPR developments, various voluntary producer responsibility organisations (PROs) were already successfully spearheading change in the recycling sector. Within the plastic packaging segments, prime examples include PETCO for PET, Polycy for polyolefins (PP, HDPE, LDPE/LLDPE and multilayer), the Polystyrene Association for polystyrene, and the Southern African Vinyls Association for PVC. The Paper and Packaging EPR schemes also include the metals, paper and glass PROs.

“Overall, these PROs have done an exceptional job, achieving a collection rate of around 58% for all paper and packaging. The collection rate for plastics alone is around 45.7%. These are commendable results that compare with some of the better performing countries in the world,” says Jhetam.

“The new Section 18 regulations contained within the National Environmental Management: Waste Act (No. 59 of 2008) are a welcome step towards a more collaborative approach between government and industry,” he continues. In

terms of Section 18, any company or brand that makes or imports any form of packaging will be required to pay an EPR fee per tonne, which will be different for the various material streams. In addition, strict collection and recycling targets have been established, which need to be met by industry over the next five years, starting from January 2022.

Managed scheme versus taxation

The initial Section 28 regulations proposed and subsequently withdrawn by government were going to be applied as an EPR tax. However, it wasn't clear whether all the taxes collected would be effectively channelled back into EPR activities. In Hungary, for example, where a mandatory EPR tax was imposed, the collection rate fell by around 10% during the first year. This supports the viewpoint that an industry-managed EPR scheme is far more proactive and effective.

To date, the plastics industry's voluntary PROs have been able to use the revenues they generate to support the collection, sorting and buyback of recycled materials via informal waste

pickers, small and medium-sized collectors, and large-scale commercial recyclers. The regulation of an official EPR scheme simply formalises the process. It also ensures that 'free riders' will be a thing of the past.

“As industry-affiliated bodies, we remain committed to working with the DFFE as this process unfolds. For those plastic producers who are not yet members of one of the four plastic industry PROs mentioned, or Fibre Circle for paper, The Glass Recycling Company for glass or MetPac-SA for metal packaging, we urge you to get in touch with the relevant organisation,” Jhetam advises.

Creating a Section 18 scheme

“As in the past, we believe that managing an EPR scheme through an industry PRO works best. In terms of the regulations, however, individual producers can establish their own independent EPR scheme, so a PRO is not a requirement,” Hanekom explains.

