differences between put on market rate and recycling costs per tonne

recycling costs per tonne

The obligation will increase each year depending on the national target, e.g. 2010 obligation will be 10%, 2011 18% and 2012 25%. However, the levy rate per tonne of obligation should remain consistent.
(In reality this may vary due to other factors such as collections, commodity value, etc. However, for the purpose of this explanation it shall remain the same for future years).

Our price per tonne of obligation relates to the member's obligated tonnage, not the total tonnage that they place on to the market.

For example, if a member places 100 tonnes of portable batteries on to the UK market in 2010, their obligation is 10 tonnes (10%). Assuming we use our £1,000 capped rate:

Levy = obligated tonnage x levy rate per tonne of obligation
= 10 x 1,000
= £10,000

put on market rate (per tonne of sales)

Because the obligation will increase each year due to targets, the levy rate per tonne of sales will increase each year as members will be obligated for an increasing percentage of sales. We want to avoid confusion, which is what happened with WEEE (where the levy rate increased due to the change from a 6 month reporting period to 12 months meaning the levy had been halved to account for a 6 month compliance period in 2007). Therefore, it is easier to quote per tonne of obligation.

However, other Battery Producer Compliance Schemes are quoting using with per tonne of sales. Therefore, Valpak will quote both options.

For example, a member places 100 tonnes of portable batteries on to the UK market in 2010. Using our £1000 capped levy per tonne of obligation, we know the target for 2010 is 10%; therefore, the levy per tonne of sales will be £100.

Levy = tonnes of sales x levy per tonne of sales
= 100 x 100
= £10,000

For 2011, it is important to note that the levy per tonne of sales will increase as the target increases. Using the £1,000 capped levy per tonne of obligation, if the target is 18% the 2011 levy per tonne of sales will be £180. However, the cost per tonne of obligation will remain at £1,000 (*in this example the actual rate may differ), it will just be the obligation that will increase.

2011 example using levy per tonne of **obligation**:

£1,000 levy per tonne of obligation
100 tonnes placed on market
Target = 18%

Levy = obligated tonnage x levy per tonne of obligation
= 18 x 1000
= £18,000

valpak batteries

differences between put on market rate and recycling costs per tonne

2011 example using levy per tonne of **sales**:

£1,000 levy per tonne of obligation
100 tonnes placed on market
Target = 18%
£180 levy per tonne of sales

Levy = tonnes of sales x levy per tonne of sales
= 100 x 180
= £18,000

If you still have questions regarding the key differences then please do not hesitate to contact a technical advisor on **08450 682 572** or by email at **info@valpak.co.uk**

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