

# Plastic Bag Levy

# Regulatory Impact Assessment Stakeholder Consultation

November 2019



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# **Selection and Note on Data Privacy**

You have been selected as a relevant key stakeholder whose perspective and experience can contribute to the regulatory impact assessment (RIA) process for revisions to the plastic bag levy described in this document. All those contacted who are willing to provide input to this process will have their name and affiliation indicated as part of the "contact list" in any final regulatory impact assessment report. The purpose is to record and acknowledge, those who have provided input to the overall RIA outcome. The final report will be released in the public domain. Your contact email will not be released on this list and is requested only in order to contact you if there is a query (e.g. a clarification) relating to the submission you have made. Further details on data privacy can be found in our Data Privacy Notice which is available <a href="here">here</a>.

# **Freedom of Information**

Please note that responses to this consultation are subject to the provisions of the Freedom of Information Act 2014 and Access to Information on the Environment Regulations 2007-2014. While confidential or commercially sensitive information should be clearly identified in your submission, parties should also note that any or all responses to the consultation are subject in their entirety to the

provisions of the FOI Acts and may be published on the website of the Department of Communications, Climate Action and Environment.

# Required Submission Date and Method of Return

All stakeholder consultation submissions must be returned by the <u>20 December 2019 in the</u> <u>designated format only</u>. Submissions received after this date, or that fail to adhere to the proposed structure, may not be considered. Submissions should be returned in electronic format. Respondents may choose to reply under any or all of the consultation categories as they wish. Completed submissions must be sent to the email address <u>environmental.levies@DCCAE.gov.ie</u> and clearly marked **Key Stakeholder Consultation**.

### **Context**

The Minister for Communications, Climate Action and Environment, Mr. Richard Bruton T.D., has proposed the introduction of new regulation to revise the plastic bag levy. Feedback is invited from stakeholders on the potential impacts associated with the proposed legislative change under the headings provided. While headings are provided to assist in guiding the responses of stakeholders to specific themes, a general comments section is also provided for broader scope responses. Stakeholders are hereby instructed to provide concise responses with references to additional material as necessary.

As indicated, responses to this consultation process are required by **20 December 2019**.

# **Regulatory Proposal**

The regulatory proposal assessed under this impact assessment is as follows:

It is proposed to increase the existing plastic bag levy by 3 cent to 25 cent. It is also proposed to remove the exemption for the medium weight plastic bag from the plastic bag levy. This levy would come into effect in 2020/21 and the revenue raised would go to the Environment Fund, which is ring-fenced for environmental actions and initiatives.

It is envisaged that the existing collection and reporting systems would continue to apply, subject to approval from the Revenue Commissioners. The levy would be charged at the point of sale as an itemised cost on the receipt.

The goals of the levy are

- 1. To reduce the consumption of both lightweight and medium weight plastic bags throughout Ireland.
- 2. To ensure resources are ring-fenced to support additional environmental initiatives, infrastructure and actions that drive positive change.

### **Your Details**

#### Please begin by filling out the details below.

Name: Shane Colgan

Role: Manager, Sustainability

Organisation: Environmental Protection Agency

Other Relevant Affiliations n/a

Contact Email s.colgan@epa.ie

# **Consultation Categories**

Under the headings below the core consultation categories for the RIA are presented with along with <u>some prompting questions</u> as guidance for replies. This is done to support the synthesis of the qualitative results from this consultation. For any material that does not fit within a specific consultation category, please use the general comments section. In terms of length, the consultation response should not exceed one page/500 words per question (6 pages or 3000 words in total). References to other material can be provided as part of the submission.

#### 1. General Comments

Please provide any general comments in relation to the proposed legislation.

Please define your perspective (e.g. independent retailer, bag manufacturer).

Commentary is provided from perspective of the Environmental Protection Agency – a public body charged with environmental protection including regulation, knowledge provision and advocacy.

Evidence to date indicates that the Plastic Bag Levy has been highly effective in terms of driving a reduction in the use of carrier bags in supermarkets and convenience stores.

Over time the strength of the financial 'nudge' provided by the levy erodes due to general rises in cost of living and general increase in economic prosperity across the country. For these reasons periodic upward revisions are warranted in order to achieve continued single use plastic waste reduction.

Strong policy direction in terms of the circular economy; single-use plastics; and climate change indicate however that there is a need to 'move the dial' with regard to plastic consumption. In this regard the proposed increase to 25c per bag is modest and we would welcome consideration of greater increases to promote further shifts in unsustainable consumption of single use plastics.

The continued application of the Plastic Bag Levy to biodegradable bags is appropriate and should be maintained as these are single-use items – with consequent resource-use, GHG emissions and litter implications.

Removal of the exemption for the medium weight plastic bag from the plastic bag levy is appropriate as these bags incur the environmental burden of plastic bag usage, without the significant extended durability of woven shopping bags.

This legislation could be strengthened by considering its wider application to other similar packaging. In particular home-delivered groceries are often packaged in large plastic bags that are outside this levy representing a significant and growing amount of single-use packaging.

It is noted that the plastic bag levy exceeds the selling-price of a carrier-bag (as a product) and some supermarkets now offer bags for sale adjacent to the checkout. This represents deviation from the intended effect of the levy which could be addressed through voluntary retailer commitments.

Overall, the EPA supports increasing the existing plastic bag levy and also supports removal of the exemption for the medium weight plastic bag from the plastic bag levy.

ADD RESPONSE OF NO MORE THAN 1 PAGE/500 WORDS

### 2. Adaptation Potential

What challenges are envisaged, and for whom, with regard to adaptation to the proposed legislation?

How might these be addressed? In what timeframe might they be addressed?

The Plastic Bag Levy itself has been in place since 2002, and both the public & commercial sector are well-adapted to its provisions & effects. Subsequent increases to the amount of the levy have not caused significant difficulties. Adaptation to the proposed is similarly not expected to be a major issue given the availability of alternatives.

Further increases would intensify the effect of the levy, however even this is not expected to cause serious adaption difficulties as there are well-established alternatives to the use of the bags targeted by this levy.

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## 3. Competition Related Impacts

Are there local, sectoral, national or international impacts in relation to competitiveness for Irish businesses? How might these be mitigated?

An increase in the Plastic Bag levy is unlikely to cause significant local, sectoral or national competitiveness issues as it is applied evenly across the country and across retail operations.

#### ADD RESPONSE OF NO MORE THAN 1 PAGE/500 WORDS

### 4. Business Impacts

Connected to the previous question, what impacts would you envisage for specific business types (e.g. small retailers, major chains, bag manufacturers) from the proposed legislation?

An increase in the Plastic Bag Levy may prompt a renewed interest in the acquisition of long-life shopping bags which could offer business opportunities for those involved in the manufacture & sale of these items. As the levy has been in operation for 17 years, it is likely that most households possess a stock of such bags so the level of additional business may not be particularly large.

An increase in the levy is unlikely to cause negative business impacts to retailers. There is likely to be some impact on companies involved in the manufacture and sale of single-use bags (including medium weight bags).

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### 5. Environmental Impacts

What impact do you believe the proposed legislative change would have on the environment?

How does it align with specific national environmental ambitions and targets?

How might the impact be strengthened?

As noted above, to date the Plastic Bag Levy has been highly effective in driving a substantial reduction in the use of plastic bags (reported at over 97%¹) with a consequent reduction in the environmental impacts associated with their production and use. These impacts would include the use of finite fossil resources to produce the plastic; the energy and transportation emissions which occur during the manufacture and distribution of the bags to retailers; and the potential littering or waste arising when bags are discarded by consumers.

Increasing the levy is intended to increase consumers value in keeping bags (plastic or other) in use for as long as possible which is expected to have many positive environmental effects,

<sup>&</sup>lt;sup>1</sup> https://www.oireachtas.ie/en/debates/question/2018-06-19/454/

such as reducing the resource-use from producing, transporting and managing the waste associated with single use bags.

There is also likely to be positive effects in terms of furthering reduced littering of single use plastic bags in the environment.. Plastic bags are both unsightly in the environment and also dangerous to wildlife who can ingest plastic directly thinking it is food, or indirectly through microplastic accumulation in waters and soils.

There is a further (indirect) environmental benefit from this levy through the careful expenditure of monies from the Environment Fund on projects and programme that are strongly focused on protecting & enhancing our environment. These include Ireland's National Waste Prevention Programme; the MyWaste.ie initiative; and specialised environmental protection campaigns.

This legislation could be strengthened by considering its wider application to other similar packaging. In particular home-delivered groceries are often packaged in large plastic bags that are outside this levy representing a significant and growing amount of single-use packaging.

ADD RESPONSE OF NO MORE THAN 1 PAGE/500 WORDS

### 6. Consumer Impacts

What impacts do you envisage for consumers from the proposed legislation?

Do you believe consumers would welcome revisions to the plastic bag levy?

The proposed change should impact the consumer in terms of reinforcing a behaviour change to move away from single-use plastic bags. A reduction in usage of plastic bags would be very much in tune with public concerns around the level of plastic used in our economy and society. A recent EPA survey of Irish public attitudes to plastics indicated overwhelming concern about the level of plastic usage and an appetite to take action to reduce this (survey for publication in early 2020).

The levy has been in place for an extended period already and alternative solutions (including long-life bags and cardboard boxes sourced in-store are already widely used.

ADD RESPONSE OF NO MORE THAN 1 PAGE/500 WORDS