



Rialtas na hÉireann
Government of Ireland

Disposable Cup Levy – (Coffee Cup 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 the single use disposable cup 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 [here](#).

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 **20 December 2019 in the designated format only**. 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 environmental.levies@DCCAE.gov.ie 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 that will create a levy system focused on single use disposable cups in Ireland. 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 apply a levy in the range of 10c to 25c to single use disposable cups for purchased hot take-away beverages in the Republic of Ireland. This levy would come into effect in 2020/21 and any revenue raised would go to the Environment Fund which is ring fenced for environmental actions and initiatives.

Subject to the approval of the Revenue Commissioners, it is envisaged that the levy would be introduced, reported and collected via the existing value added tax system, as has been the case with the plastic bag levy. It 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 and share of single use disposable cups throughout Ireland.
2. To simplify the separation of residual single use disposable cup waste for consumers and align the waste streams with appropriate treatment.
3. 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
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Consultation Categories

Under the headings below, the core consultation categories for the RIA are presented along with some prompting questions 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, cup manufacturer).

EPA National Waste Characterisation data shows that 2% of national non-household kerbside waste is coffee cups. This represents 14,000 tonnes per year and suggests over 2,000,000 cups are used every day in Ireland. This high-level of consumption of single-use items is unsustainable - in terms of resource consumption and greenhouse gas emissions related to their production. Waste prevention and reuse are areas where national efforts and incentives are required to ensure sustainable consumption patterns

These cups are generally produced as a composite item involving card and plastic coatings bonded together – resulting in a waste that cannot be readily recycled. The majority of coffee cups therefore go for landfill or incineration which are the least preferred options in the waste hierarchy. Public perceptions of the recyclability of these single-use items means that they often make their way into the recycling stream - leading to contamination of recyclable materials (paper, cardboard and plastics).

Littering continues to be a significant issue in Ireland. Anecdotal evidence presented at the Local Authority Prevention Network by Environmental Awareness Officers confirms that discarded coffee cups are a very significant portion of the wastes encountered in community clean-up events. The EPA is currently conducting a waste characterisation study of litter bin contents which will confirm the make-up of the waste deposited in these bins.

It is clear that action is required to reduce the use of disposable cups in Ireland. The introduction of a levy to modify consumption behavior has previously shown to be an effective approach in Ireland, In particular the Plastic Bag Levy is an excellent example of an effective intervention with proven significant environmental benefits. In terms of the stated goals of this

levy, #1 and #3 are likely to be successfully met. It is less clear how the levy will impact on the aims of goal #2.

It is noted that the proposed levy is aimed at cups for “hot take-away beverages”. The extension of this levy to all disposable beverage cups will increase the environmental benefit, and should mitigate against a leakage effect whereby cups designated for cold drinks are used for hot-drink service. The focus on ‘take-away’ only should also be reconsidered as it misses the use of disposable cups for in-house service – often done for the convenience of the retailer.

The levy should include biodegradable/compostable cups. These single-use items do not present a strong solution to resource consumption aspects as often they are discarded in street bins and so fail to enter a composting facility. Biodegradable/compostable cups can also increase confusion for consumers who can be distracted from highest priority waste prevention messaging.

Overall, the EPA supports the introduction of a levy on all disposable beverage cups items – at a rate sufficiently high to prompt the desired behavior change.

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?

There are well-established and straightforward alternatives to the use of disposable cups and adaptation to this measure should not present difficulty to most consumers. Education and awareness of the environmental impacts of disposable single use items has grown in recent years and consumer preference tends to be more in line with sustainable consumption options within the waste hierarchy (prevention of waste and reuse). The increased use of reusable coffee cups and availability of alternatives on the Irish Market are a signal of this change in consumer preference. Therefore, adaptation to more sustainable alternatives is not seen as a barrier in this case.

ADD RESPONSE OF NO MORE THAN 1 PAGE/500 WORDS

3. Competition Related Impacts

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

This new levy is unlikely to cause significant local, sectoral or national competitiveness issues if it is applied evenly across the country and across all relevant retail outlets.

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, coffee importers, and cup manufacturers) from the proposed legislation?

Introduction of this levy is likely to develop further the current market for the sale of multi-use beverage cups offering businesses new and expanded markets.

New business opportunities are likely to arise for the additional provision, collection and cleaning of reusable cups in sharing schemes; event catering etc.

For retailers there is a risk that some consumers will be discouraged from purchasing beverages leading to a potential drop-off in business.

For retailers using disposable cups for on-site serving (e.g. fast food operators) there is the opportunity to avoid the levy through the offer of non-disposable cups – though this may add some complexity in terms of managing & cleaning these cups.

The adoption of business models embracing a non-disposable cup approach presents businesses with an opportunity to display a heightened awareness of sustainability issues which may lead to an enhanced attractiveness to consumers.

There will be challenges for businesses that supply & use these products, in particular those that switched to compostable, considering them to be a viable alternative. There may be lessons from introduction of the plastic bag levy regarding how that impacted on suppliers and how they adapted to the new business model.

ADD RESPONSE OF NO MORE THAN 1 PAGE/500 WORDS

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?

This measure can be expected to deliver environmental benefits in terms of reduced volumes of unsustainable resource extraction and reduced environmental impacts which are associated with producing large amounts of difficult-to-recycle waste (estimated at 2 million cups per day). Incentivising consumer behavior to move away from a single-use and short life-cycle product, such as coffee cups, can also result in reduced greenhouse gas emissions associated with the production, transportation and management of high volume single use products and their associated waste. These environmental benefits have already been seen globally with the implementation of incentives to reduce single use plastic shopping bags and the same environmental benefits and principals would apply in the case of single-use coffee cups. Data on these environmental benefits will also be quantifiable through reporting of payments collected.

Disposable beverage cups are unsightly & enduring in the environment. Introducing a levy on disposable beverage cups should reduce production and consumption levels which will undoubtedly have a positive environmental effect in terms of littering.

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, Stop Food Waste campaign; MyWaste.ie initiative and specialised Environmental Enforcement activities.

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 a levy to address single use disposable cup waste?

Do you believe consumers already understand how to properly dispose of single use cup waste?

This levy will add an additional cost to the purchase of a drink in a disposable cup which can be avoided through the use of a reusable cup either carried by the consumer or supplied by the retail outlet. The initial outlay for a 'travel cup' is not insignificant and may present a challenge for some consumers.

There will be a level of inconvenience caused for consumers who begin to carry a cup, with an associated need for washing facilities. Given current popular opinion against single-use plastics and the appetite for climate action, this inconvenience is likely to be borne by many consumers as part of their response to current environmental & climate concerns.

There is a consumer population that would welcome the levy. A recent EPA survey of Irish public attitudes to plastics indicated that 64% of the population think there should be a levy on single-use plastics. This research also showed that 69% of the representative sample surveyed have a reusable coffee cup, with nearly half using it 2-3 times per week (survey for publication in early 2020).

Regarding whether consumers already understand how to properly dispose of single use cup waste, the EPA survey shows that only 29% of the survey population know to put coffee cups in the residual bin. 52% report putting it in the recyclable bin, 5% into the organic bin and 4% didn't know which bin was correct. There needs to be clear and consistent messaging about the importance of prevention and reuse and where this is not feasible, which bin is the correct one to use for used coffee cups.

ADD RESPONSE OF NO MORE THAN 1 PAGE/500 WORDS

END