



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.

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Other Relevant Affiliations: Environmental Pillar, IEN

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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

The SUP Directive (Directive (EU) 2019/904) encourages the prioritization of “sustainable and non-toxic re-usable products and re-use systems”. This approach aims to reduce plastic waste, drive the promotion and development of alternative materials, and promote the design and production of plastics and plastic products that are re-usable, repairable, and recyclable.

SUP Directive impacts.

It came into effect on 3rd July 2019. Member States shall apply these measures no later than 2 years after the entry into force of the Directive. i.e. until 2nd July 2021.

There will be EU wide market restrictions (ban) on the following plastic products:

- Plastic cotton bud sticks, cutlery, plates, straws, stirrers, sticks for balloons
- All products made of oxo-plastic Cups, food and beverage containers made of expanded polystyrene

Article 4 of the Directive requires Member States to implement measures to achieve sustained reduction in the consumption of single-use plastics (SUPs), including beverage cups, and containers used for immediate food consumption (e.g., fast and takeaway foods). The objective is to spur a substantial reversal of increasing consumption trends, and achieve a reduction in SUPs by 2026, compared to 2022.

For disposable containers and cups, there are two cases to consider.

1. purchase of bulk retail packs of disposable containers and cutlery for such things as picnics and childrens (and adults) parties and
2. the purchase of individual containers when buying beverages or take away food.

So the overall ecosystem comprises producers ,distributors , retailers, consumers and waste handlers.

Sustainable alternatives already exist to disposable cups and our goal is to discriminate favourably in their adoption over SUP variants.

As the plastic bag levy has demonstrated, behaviour is changed by economic incentives/disincentives. And, as with the case of the plastic bag levy, costs must be clear and visible and charged at the point of purchase.

However we need to be more ambitious and avoid the use of SUP disposable cups entirely, especially as alternatives already exist. We must encourage people to bring their own cup, rent a reusable one or purchase a reusable cup at the point of beverage purchase and that any disposable cup provided will be charged appropriately or better still be not available.

We propose a two stage approach to eliminate the use of SUP containers. A first transitional stage where a levy is charged per container (for a defined period of 1 year) followed by a ban on SUP container supply (applied to retailers). The legislation should impose the levy on the producers of the cups. When the cups are sold by retailers that cost must be passed onto the consumer at the till.

Zero Waste Alliance Ireland (ZWAI) has been proactive in this area with our launch of the eCupán¹ reusable, collapsible cup and in our support of the Conscious Cup Campaign² nationwide.

Participating coffee shops and cafes report progress in encouraging the use of reusable coffee cups by offering a discount off the listed price. The discount varies from shop to shop but is generally up to 10%. However an incentive alone is not as effective as it is in conjunction with a surcharge.³

Research, commissioned by coffee manufacturer Bewley's and conducted by Cardiff University between September and December 2016, tested a series of measures to increase the use of reusable cups. The study was conducted across 12 business and university café sites. Measures included charges for disposable cups, environmental messaging in cafés, offering reusable cups and distributing free reusable cups.

The research found that adding a charge for disposable cups increased the use of reusable cups by 3.4 per cent and distributing free reusable cups increased use by 4.3 per cent. Environmental messaging and simply making reusable cups available increased use by 2.3 and 2.5 per cent respectively.

However, by combining the measures, the study found that the use of reusable cups increased much more significantly, going from 5.1 per cent to 17.4 per cent in one café.

“The Cardiff University study suggests that a charge may be more effective than a discount”

¹ <http://www.zerowasteireland/ecupan>

² www.consciouscup.ie

³ <https://resource.co/article/prevention-measures-could-reduce-coffee-cup-waste-300m-year-says-study-11767>

More evidence from Zero Waste Scotland concludes that charging for disposable cups is more effective in reducing their usage than offering discounts for own cups. ⁴By simply replacing existing reusable cup discounts with an equivalent, cost-neutral disposable coffee cup charge, retailers can significantly increase reusable cup use without impacting beverage sales, and with no cost increase to consumers.

For beverages and take away food we need a paradigm shift right where we purchase the product. The packaging/container is an optional item and separately charged. As per the plastic bag if we want the packaging or containers, we pay for it but with preparation we can avoid the extra cost. Such a levy should be placed on disposable coffee cups (including lids), whether they are compostable, recyclable or other. (The test here is if it could find its way into a waste stream and become litter). Valuable re-usable items, due to their refund value, will be extracted from waste streams by scavengers at some stage. So the DRS and Rental models(applied to all containers) will become self reinforcing.

The levy should also be applied to all disposable containers wherever sold. There will still be people seeking disposable containers for specific reasons (and who will accept the levy). However at every point of sale an alternative to disposable items should be offered. This could be a sale or rental/DRS option for re-usable alternatives.

2. Adaptation Potential

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

The current ecosystem comprises producers, distributors, wholesalers, service outlets (cafes, coffee shops), retailers and users with waste handlers at the end of pipe. We expect **producers** of compostable and recyclable containers to object and claim exemption. Any cup that could reasonably be expected to end up as litter should be covered by any levy (or ban). There are varying degrees of compostability (EN 13432 / EN 14995 or the CRE compostible scheme) and it would be cumbersome to implement any vetting system. So simplification will be key to acceptance. Only reusables should be exempt. Recyclables can be incorporated into a DRS scheme.

Purchasers of bulk packs of disposable items will have different motivations to café visitors. **The end user** will accept a charge for supermarket purchases of disposable containers (e.g. for kids parties) and understand why. They may avoid this by using reusable alternatives.

⁴ <https://www.zerowastescotland.org.uk/research-evaluation/cups-sold-separately-report>

Retailers will need to show dual pricing (product and containers) and offer reusable alternatives for sale or rental.

Retailers should be able to offer a DRS style solution where they take part in a rental option and containers can be returned elsewhere to another participant in the DRS scheme. There will be adaptations at the customer facing side that will require adaptation and a time frame to put in place (Cup stocks and Rental DRS scheme infrastructure).

Schemes based on the Swiss ReCircle crockery/cutlery rental⁵ model will commence and adapt to the scale of the available demand. These can be nationwide, city wide or local. The model covers takeaways currently but the system is adaptable for discrete containers like cups and bottles.

Waste collectors and waste industry participants: The reduction in combustible volumes of 'contaminated packaging' will be a great loss to Incinerator operators who value the calorific content of this waste stream. Expect resistance to this loss of incinerable stock. Likewise the Waste Collectors and ultimately Repak, whose income is linked to volumes collected (pay by weight), will resist change where their income is reduced.

Producers will initially look for exemptions and attempt to reclassify products but these have a capacity to adapt quickly and introduce re-usable products. The unavoidable use of SUP containers e.g. for medical and hygiene needs will absorb the levies and adapt over time.

Café and Coffee shop operators will bear the brunt of administering and policing the schemes to be adopted and will initially struggle to provide stocks and offer extra facilities for DRS>Returns/Washing. However it may equally lead to new business opportunities to handle the logistics of re-usable rental containers as is seen in London and with Ireland's first entrant into this space, 2gocup (<https://www.2gocup.ie/>)

Larger operators and the large chains will adapt quickly and offer branded containers at subsidized prices. So any schemes to be implemented will have to be health checked that it does not introduce unfair competition or disadvantages for smaller and solo operators.

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

To begin, we will need to define a standard size cup and containers (HxWxL) and volume. E.g. 12 oz cup, 16 oz cup (350ml, 500ml). Likewise for bottles and food boxes. Once we have a standardised set of dimensions that all players adopt we open the way to automation and DRS vending/reverse

⁵ <https://www.recircle.ch/>

vending. This will give certainty to Producers and mechanical equipment producers (Cleaning, washing, scanning, DRS kit, Vending machine makers).

In the transition stage (prior to a ban) a levy of €0.50 should be applied to all types of SUP cups. To standardise compostible solutions all 'alleged compostible cups' should meet one CRE composting standard. But as they still pose a litter risk they should be levied, perhaps at a 50% of the full levy. The only levy free containers should be re-usable ones. These will be maintained in the re-use ecosystem by the attractions of a DRS where financial incentives will motivate people to keep them out of the litter pile.

Infrastructure is needed within retail outlets to support the rental / return models and offer re-usable alternatives to customers. Vending machines of the standard sized cups need to be sited where they are needed. (think of drinks vending machine locations). This will apply especially to large events like concerts and matches where large volumes of drinks are sold.

Public awareness campaigns should be developed to inform all players in the ecosystem especially in advance of a ban deadline. All Point of Sale locations need to be targeted with clear notices and information.

Information about the levy (the WHY and WHAT) and disposal of the cup (HOW) should be visible at the point of purchase

Government should also require that all retail beverage vendors must offer reusable cups for sale or rental to be used off-site . This will cater to tourists and those who forget to bring along their own cups.

Timing:

End of March 2020: The transition levy should be announced giving a date for implementation and giving notice of the ultimate ban 12 months hence. This will give adequate preparation time for all concerned. It is critical that a strong public awareness campaign explaining the rationale behind this levy is done in advance of the announcement.

End of April 2020:

1. government to define standard sizes/volumes of containers to be exempted from the levy and ban and which will be supported by a future DRS scheme.
2. Propose a definitive compostable standard that all single-use cups must meet

End June 2020. Levy kicks off for all non-resuable containers.

Monitor progress, set up a reporting method for violations (like the illegal dumping EPA report line), allow the public to report breaches and pursue offenders.

Prepare PR campaign for BAN date with a ticking clock repeated advertising.

1st May 2021 : Ban starts off for non-reusable SUP containers.

3. 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?

Larger chains have the financial muscle to absorb price hikes and offer branded re-usables. They might also offer free branded containers as loyalty schemes. Small operators will be at a disadvantage and may need some form of support to adapt.

Likewise the larger chains may absorb the levy and essentially offer free SUP containers. Thus the SUP containers will continue to pollute downstream. Large chains form the bulk of sales volumes, so there will be a probability that volumes of SUP waste may not decrease after the levy kicks in. This would prevent us achieving behaviour change and reaching the reduction goal This is the main reason that an ultimate BAN is essential. This is the only way to guarantee that SUP containers are not part of the waste stream.

Absorbing the levy creates a competitive disadvantage for smaller **independent cafes** that do not have this financial flexibility. So if the levy was low enough this might happen. This is the main reason that we suggest 50c as the levy as it is the point where absorption becomes problematic for large chains. If both small and large retailers implement the same levy it is more likely to succeed, (but still will not eliminate SUP items going to a waste stream).

Disposable cup manufacturers will hopefully see volume demand drop. They will widen the product range to focus on other growth areas (like re-usable cups or specific medical needs). Those dependent on SUP disposable products will be challenged and focus on other markets globally to remain in business. They may offer take back solutions for their own products to ease the burden on customers.

New business opportunities will emerge (and are doing so already) with services such as 2GoCup⁶, ReCircle, offering a rental / deposit return system (DRS) for reusable containers.

New businesses opportunities in servicing the DRS/Rental opportunities. These may be start ups or existing businesses adding extra facilities for rehabilitating used containers. Specialists will emerge

⁶ <https://www.2gocup.ie/>

over time and these could be candidates for international expansion when other markets follow our green lead.

Small retail outlets, unable to offer extra services due to space/staff or cost limitations will be willing clients of the new ecosystem service providers.

4. Environmental Impacts

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

A Ban on SUP disposable containers and their SUP lids, if properly policed will ELIMINATE these containers reaching the waste stream and the damage this inflicts on us all.

A high levy is a less effective way to achieve this aim. It merely allows the litter to continue in a pay per throw environment. It will never completely eliminate the waste stream.

Not having to make SUP disposable to replace discarded items means that over time we save natural resources, embedded energy, water, and distribution costs and associated emissions from transport and manufacturing activity. We make financial savings from less local Council litter clean-up costs.

For example, Dublin City Council spends approximately €30m on street cleaning each year. (Councils pay approx €1,600/tonne for litter /street cleanings and servicing street bins.⁷

Disposable cups currently end up as litter or burned in Incinerators or landfilled or exported and landfilled/burned. The external costs of litter, whether compostible or not, in the greater environment and the impacts on wildlife and aquatic life are inestimable. But any reduction will improve the natural environment and thus reduce the amount of microplastics in our watercourses. A disposable SUP container ban will be more powerful in this regard and be visibly monitored far more easily.

The Scottish government found that the CO₂e emissions associated with the manufacturing, distribution and disposing of a disposable SUP cup are approximately 1.5 times the weight of the cup itself, with more than 50% linked to the lid.⁸ Therefore, using EPA statistics, the current emissions from disposable cup use in Ireland could be 22,366.5 tonnes of CO₂e per year. This will be eliminated if we can ban their use.

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

⁷ <https://www.irishexaminer.com/breakingnews/ireland/less-than-half-of-litter-fines-paid-report-finds-925166.html>

⁸ <https://www.gov.scot/publications/report-expert-panel-environmental-charging-measures-epcom-recommendations-single-use-disposable-beverage-cups-july-2019/pages/3/>

This will be fully aligned with other national environmental ambitions and government practice.

1. The Minister for Communications, Climate Action and the Environment, Minister Richard Bruton T.D, on Friday the 4th of January 2019 announced that government departments, public bodies, and schools will lead the way in the response to cutting down on single use plastics, with a number of measures, including no longer purchasing single-use plastic cups, cutlery and straws for use within their offices. This forms part of an all of government plan to make Ireland a leader in responding to climate change. The Minister secured government approval to bring in a number of measures which will see government departments and agencies lead the way in the revolution that is needed.
2. Under Section 12.4 of the government's **Climate Action Plan**, waste prevention is the first priority under the waste hierarchy, as stated in the strategic plan, Towards a Resource Efficient Ireland (2015)⁹, and further reinforced in the priorities under the three Regional Waste Management Plans (2015-2021)¹⁰. The ban on SUP containers will address this Prevention priority.
3. The Climate Action Plan calls for the sustainable use of resources and states that “[w]e need to focus on designing out waste, prioritising prevention of waste at every opportunity through eco-design, reuse and repair, taxation and levies. The ban will stimulate activity in the design and re-use upstream areas of a circular economy and generate new products, reworked products and end use cases.

Our proposed ban supports all national priorities and policies that promotes reuse over all other actions under the waste hierarchy. It eliminates the recurring SUP container waste issue.

How might the impact be strengthened?

Clarification of messages, public education and celebration events are all candidates to boost the project .

1. Create a set of awards for retailer performance and exemplary behaviour. Reward public monitoring activities in the form of vouchers for discounts or free cups.
2. Take the lessons learned from the plastic bag tax and apply those still relevant.
3. Keep the scheme simple to operate, simple to explain and simple to monitor.
4. Make the data transparent and publish results regularly showing comparative tables by locality.

⁹ https://www.epa.ie/pubs/reports/waste/prevention/reports/NWPP_Report_2015_web.pdf

¹⁰ <https://www.dccae.gov.ie/en-ie/environment/topics/waste/waste-management-and-policy/Pages/Regional-Waste-Management-Plans.aspx>

5. Collect the levy at the point of sale, where it is clearly indicated.
6. When the BAN kicks in ensure alternative choices are available at the point of sale.
7. Review progress every 6 months to verify effectiveness and adapt as results dictate.

5. Consumer Impacts

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

Initial resistance, then resignation and adaptation. Expect consumer push back during the early period. Those not eco aware or who have not invested in a reusable cup and those who occasionally have forgotten their cups will be annoyed. It will mirror the plastic bag levy, where forgetful people occasionally still complain.

Do you believe consumers would welcome a levy to address single use disposable cup waste?

ZWAI believes that there will be support for this initiative in most areas, but not universal. There will also be vocal objections by those not eco-aware or not environmentally conscious. Those at the coalface of cleaning up waste and litter in their communities will become evangelists over time, as will the growing own-cup cohort.

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

No. There is utter confusion as regards what elements are recyclable amongst the consumers. There are compostible variants entering the market but not certified. **ZWAI** has tested many compostible cups using an accelerated food waste digester and yielded varying lengths of time to fully decompose. None have done so within their stated period. In the wild, these would be seen as litter for a long time before decomposing.

We find, through supplying eCupáns to coffee shops that staff generally place all used disposable cups in the residual bin. Outside of retail outlets, disposable cups end up as litter on the streets or in a residual bin.

Because of their composite materials and food contamination they are a very problematic 'recyclable' object. Compostible cups will become as problematic. There will be no designated food waste containers provided for them. There are none at present.

So the best and simplest way to deal with the complex situation is to ban all SUP disposables, whether compostible or recyclable and to focus on making re-use a very simple and easy system to follow everywhere. No bins needed!

END