

Environmental Levies Consultation  
Environmental Policy Division  
Department of Communications, Climate Action and Environment  
29 – 31 Adelaide Road  
Dublin 2  
D02 X285

20 December 2019

**Re: Submission to Review of the Environment Fund**

To Whom It Concerns,

Cork Chamber is the leading business organisation in Cork, proactively working to identify and progress developments that are facilitative of economic and sustainable growth. Representing an employer base of close to 1,200 businesses and over 100,000 employees across the region, Cork Chamber is the largest business representation organisation in the south of Ireland.

This submission has been guided by our commitment to delivery on the UN Sustainable Development Goals. Five specific goals have been identified by the Irish Chamber Network which we are actively advocating for throughout our work;



## **Proposal 1: Increase Plastic Bag Levy (Phase 1: 2020 – 2021)**

### **Questions for Retailers/ Suppliers:**

7. Overall, we question the ambition of the approach to incentivise a change in consumption patterns overtime through incremental increases in the plastic bag levy. As we consider the consumption pattern changes and production method changes which are needed in the short to medium term to address the global environmental emergency, protect our oceans, waterways, local environments , wildlife and biodiversity, we need to be more ambitious nationally in how we approach this issues of waste management and waste prevention.

As such, we strongly support all efforts to ensure that business and communities are facilitated to achieve a just transition. We commend the recent appointment of a Just Transition Commissioner to guide the development of the midlands as we transition nationally from peat, and strongly recommend an increase in activities and remit via the dedicated appointment of a Just Transition Commissioner to oversee the transformative changes required of business to move to a low carbon, low waste economic model. A Just Commissioner for Business should work with those sectors which need to adopt the most transformational changes in the short to medium term to ensure oversight and to implement policy and regulatory changes to support the transition. In the short to medium term, the transition away from plastic must be urgently addressed, and to do this we must be ambitious nationally, and reinforce the need for urgent transformation with a government function that can specifically support, accelerate and enhance actions and measures to implement all necessary changes.

It is critical that businesses are supported to make this transition. Strong thriving communities are underpinned by a strong economy at local and national level, it is therefore crucial that businesses are facilitated to achieve a just transition that safeguards employment and economic activity. We need to ensure that structures are in place that support business, communities, and all socio-economic circumstances. The appointment of a Just Transition Commissioner is the most appropriate and logical step to address the business and social change required.

As a representative voice of business, we highlight the need for certainty amongst businesses, to plan and to grow sustainably. Business needs policy and regulatory clarity and a facilitative framework to anticipate and plan accordingly to adapt business practices to adopt new production methods/ materials, and change consumption patterns and behaviours. To this end, to accelerate our transition nationally we strongly believe facilitating businesses to make the switch to alternative production methods and materials should be the priority focus. Government must through a Just Transition Commissioner work with businesses to identify alternatives, support Research Development and Innovation, and to increase the affordability and accessibility of business to update production methods/ materials and to upskill/ reskill staff.

To successfully achieve a complete transition to non-plastic bag alternatives, we urge the inclusion of a nationally agreed date banning the plastic bag. We urge this be considered in the medium term (within 3 to 5 years) with measures, supports and activities undertaken immediately to support a transition to bio-economy alternatives or 'bag for life' alternatives.

The date to ban the plastic bag must be agreed and committed to, decided upon through collaborative engagement with the business community. This is the starting point with concurrent focus on supporting businesses transition, to ensure alternatives are affordable, incentivising producers to adopt alternative production methods. To ensure the alternatives are affordable and attractive to consumers, producers must be incentivised via a subsidy to produce 'bag for life' alternatives at an affordable cost base.

Cork Chamber recommends a proportion of the Environmental Fund be ring-fenced to support businesses and producers to make this transition to move away from the production of lightweight and medium weight plastic bags. Business must be supported to incentivise bio-economy alternatives to traditional plastic. Added to this, there should be support for education, awareness, reskilling and training opportunities nationally on packaging design and the opportunities to design practical packaging which minimises waste.

As a stand-alone action, we view the incremental increase in the plastic bag levy as an ineffective option for catalysing change, given the growing concern nationally and internationally to secure a change in consumption and production practices, to this we also question the behavioural change potential of a 3 cent increase.

As an alternative framework, we propose the potential for a multi-pronged approach to be undertaken in tandem, increasing the levy to deter consumption, and encourage behavioural change with the levy via the Environmental Fund being utilised specifically to fund identified initiatives/ measures to support businesses to transition, all of which is supported strategically and overseen by a Just Transition Commissioner.

8. As stated in the previous answer, Cork Chamber suggests the initiation of a plastic bag ban with a nationally agreed timeline for this transition alongside an increase to the plastic bag levy to encourage further change in consumption patterns/ behaviour.
9. It is crucial that businesses are facilitated to accommodate a just transition that safeguards employment and economic activity. Therefore, we strongly propose that a proportion of the Environmental Fund is ring-fenced to support businesses and producers to make this transition and move away from the production of lightweight and medium weight plastic bags. Businesses must be supported to adopt a bio-economy alternative to traditional plastic to ensure the effect on the business is lessened/ minimal. Furthermore, we support that funding should be allocated to ensure education, awareness and reskilling/ upskilling and training in production processes, material and design that minimises waste.
10. We believe that the lead in time must be agreed in collaboration with business, with this lead in time dependent on the approach adopted.
11. Business needs certainty, for planning, forecasting and implementing timelines/ and milestones for change. As a representative voice of business, we urge that the final approach adopted gives certainty at the outset.

We urge the inclusion of a national ban date to aid businesses prepare in advance. We urge this be considered in the medium term (within 3 to 5 years) with measures, supports

and activities undertaken immediately to support a transition to bio-economy alternatives or bag for life alternatives.

## **Proposal 2: Remove the Exemption of the Medium Weight Plastic Bags from Plastic Bag Levy**

### **Questions for the Retailers/ Suppliers:**

17. Yes, there is scope to incorporate a levy to the medium weight plastic bag. The levy amount should take account of varying socio-economic situations, and we believe the application of a levy should not increase the cost of a medium weight plastic bag and should instead form part of the current price point. We strongly believe that the actions to incorporate a levy must be accompanied by a national ban date for plastic bag (light and medium - weight) with an in tandem focus on support for businesses to successfully achieve this transition through the appointment of a Just Transition Commissioner.
18. The appropriate levy must be such that motivates a behavioural change amongst consumers, though not overly burdensome on consumers, retailers and producers. Retailers and producers must be supported to make the transition. A levy must be incorporated with a package of broader measures to increase the affordability of 'bag for life' options, and the production of same.
19. More consumers must be encouraged to opt for 'bag for life' options under the reduce/reuse model and so we favour this option remaining without a levy for now and with an emphasis on ensuring the affordability of this option. We strongly call for the support for producers to transition production away from plastic to durable, or compostable materials and as such recommend an emphasis on the affordability of this option for consumers and the raw materials and production costs for producers.

**Additional comments:** Retailers must be encouraged to incorporate compostable bags for items such as vegetables etc. to stop waste at source, as is the exemplar set by Musgraves<sup>1</sup> with alternatives to traditional plastic bags being made more affordable than plastic bags.

## **Proposal 3: Introduce Coffee Cup Levy (Phase 1: 2020 – 2021)**

### **Questions for Retailers/ Suppliers:**

30. Yes, however we believe this should be considered in tandem with related actions to address the issue of waste in a more holistic approach, where we seek to minimise waste streams entirely.

Firstly, Cork Chamber proposes that all single-use disposable, non-compostable or recyclable cups be banned nationally, with a ban date being agreed in collaboration with business. Business needs certainty and can adapt to certainty. A levy would be applied to single use compostable, recyclable cups as a single-use levy.

Secondly, we propose the adoption of a nationally supported cup swap scheme, supported through the Environment Levy and which works to protect all cafes, food outlets to achieve this transition from single use disposable cups in an equitable and fair way.

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<sup>1</sup> <https://www.irishtimes.com/news/environment/supervalu-to-ditch-plastic-in-favour-of-compostable-shopping-bags-1.3987113>

Such a scheme should have regional oversight and be adaptable locally to incorporate regional/ or City branding e.g. Pure Cork branding to support local tourism initiatives. With the application of a scheme nationally and with oversight regionally, the involvement of all cafes, food outlets with the nationally, and regionally branded 'cupswap' scheme, with uniform branded cups should require the participation of all business in a location that are interested to participate in a 'cupswap scheme', ensuring an equitable approach for all, and a workable scheme at scale. Otherwise, a model of multiple larger café or food outlet chains with branded cups and a branded scheme would put smaller and independently owned cafés/ food outlets at a competitive disadvantage and make such a scheme untenable. We must protect the diversity of our café/ food outlets offering, and a workable scheme should be devised in collaboration with business representatives.

- 31.** In the transition period during which a cupswap scheme is being agreed and initiated, a levy of 25c on disposable single-use compostable and recyclable cups could be the most applicable in encouraging behavioural change, though we emphasise that any increase must take account of the most applicable levy in consideration of a broad base of socio-economic variables and incomes so as to protect consumers and businesses. In relation to cupswap models, there are already models in operation for example the 2GoCup<sup>2</sup>. This scheme for example has a very simple operating model, requiring a deposit for a cup, and then offering a return of this deposit upon return of the cup or a fresh cup when ordering a takeaway beverage.

A deposit could vary between €1 to €5 depending on the overheads of producing the cup. If all cafes, food outlets in a location were participating in this scheme we could see a significant drop in waste nationally and at an ambitious scale. Finally, we need to be ambitious and opportunities do exist to transition more definitively to alternative models. Business must be supported through this transition, with business playing a key role in changing societal consumption norms.

- 32.** This is commonplace now in Cork and amongst Cork Chamber member cafes etc with a discount of 20c most common.
- 34.** Not applicable directly to Cork Chamber, though applicable widely to Cork Chamber member cafes and food outlets which do commonly stock compostable cups. Compostable cups are ideal in theory, though completely without function and utility if not deposited in a compost bin for end of life composting. Therefore, we strongly call for the Government to ring-fence a proportion of the environment fund/ and specifically the single-use coffee cup levy to fund the necessary infrastructure for waste collection and industrial composting which is severely lacking currently, and which will support the efforts being made by businesses to move to more eco-friendly alternatives. Currently, the efforts of businesses and the extra expense businesses absorb when purchasing eco-friendly alternatives are wasted as regionally and nationally, we do not have an adequate waste disposal, composting or waste recovery infrastructure in place. There is a gargantuan gap in waste infrastructure in Ireland and this must be addressed. Furthermore, we highlight the varying level of product standards in relation to compostable cups and highlight the need for standards and a certified compost friendly quality mark to be adopted by all

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<sup>2</sup> <https://www.2gocup.ie/>

producers of compostable cups in Ireland, and for this to be a requirement on products in the Irish market.

35. Yes, to motivate a shift in consumption patterns, the price differential between the two options should be displayed clearly, with pricing clearly displayed without the levy and with the levy clearly incorporated on signage as an additional charge for using a disposable cup.
36. A levy should decrease the need for businesses to purchase disposable, compostable or recyclable cups, while a cup swap scheme with a standardised cup would support the flexibility of 'grabbing a coffee on the go' while promoting an affordable and flexible reusable alternative. If a customer forgets to bring their reusable cup on an occasion, the customer can pay the deposit and get that deposit returned again upon return of the cup, avoiding single-use waste.
37. This would depend on the size of the business and stock ordering practices within the business however a period of 6 to 8 months should be adequate to incorporate this change.
38. We highlight the potential for a Coffee Cup Swap Scheme be supported via funding from the Environment Levy nationally, with regional oversight and authority over this. There is potential to then link this to tourism branding with a generic non-descript cup being used, which can then be branded with regional tourism branding e.g. for Cork, this could be Pure Cork tourism branding.

#### **Proposal 4: Introduce Takeaway Levy (Phase 2: 2022 – 2023)**

##### **Questions for Retailers/ Suppliers:**

44. A levy on takeaway containers is appropriate but must be adopted in tandem with a suite of measures to support food businesses transition from single-use plastic containers. Cork Chamber proposes in the case of food/ catering businesses there should be a priority focus on the adoption of alternative biomaterials for containers, and the increased affordability of compostable containers for food businesses, with many established brands already existing e.g. Vegware<sup>3</sup>. There should be an emphasis in supporting businesses to make this transition, in making alternatives more affordable and to support businesses to offer the consumer a price reduction where a consumer brings their own container (depending on the outlet type). However, where hot food is concerned, we must be cognisant of food hygiene issues, and therefore we see support takeaway businesses to stock affordable alternatives as the most appropriate step forward.
45. The practicality of reusable food containers must be investigated and may be dependent on hygiene/ health and safety concerns. This may be dependent on the food outlet/ food product and therefore those service providers that are unable to consider this option must not be penalised and should be supported to make the full transition to compostable container options.

#### **Proposal 5: Introduce Food Packaging Levy (Phase 3: Timeline to be determined)**

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<sup>3</sup> <https://www.vegware.com/uk/>

**Questions for Retailers/ Suppliers:**

57. A nationally agreed date for an all-out ban on plastic packaging materials would give certainty to producers and motivate a product redesign and materials reengineering. Ireland needs to be ambitious. Setting a date to ban certain types and styles of packaging gives certainty to business.
58. A levy could be incorporated alongside activities to support businesses transition.
59. Yes, producers should be supported to make this transition to fully recyclable, compostable materials.
60. A food packaging levy could increase operating expenses for a producer or make products more expensive for a consumer, therefore the support to make a change in materials packaging and design would be more equitable to support a just transition. With both approaches being pursued in the short to medium term (3-5 years).

**Proposal 6: Waste Recovery Levy (Phase 1: 2020 – 2021)****Questions for Retailers/ Suppliers:**

63. Yes, a Waste Recovery Levy is appropriate, with this levy strictly ring-fenced to fund enhanced waste recovery/ recycling/ composting infrastructure.
64. A levy could increase operating expenses while businesses transition to alternative materials.

**Proposal 7: Increase the Landfill Levy (Phase 1: 2020 – 2021)**

66. It is critical that business is supported through this transition as otherwise there is a wider economic and socio-economic impact through business closures, and loss of employment. Business must be supported to successfully transition.
67. A levy could increase operating expenses while businesses transition to alternative materials.
68. We support the introduction of a new Extended Producer Responsibility (EPR) scheme in Ireland as timely to encourage a change in practices, placing responsibility with producers to design products to minimise life cycle environmental impacts and to accept legal, physical and/or socio-economic responsibility for environmental impacts that cannot be eliminated by design. Such costs can be minimised where materials and products are managed in an environmentally effective manner throughout their life cycle. EPR has the potential to play a key role, by evolving from a cost recovery approach to one that also incentivises a transition to a circular economy.

**Suggested models:**

The mandated product take-back approach could include the following:

1. Product take-back mandate and recycling rate target:  
This would make it mandatory for the manufacturers and/or retailers to take back end-of-life (EOL) products and sets specific recycling targets. These requirements are often met by forming a 'producer responsibility organisation, PRO', a collective effort by the industry to fulfil the EPR obligations of the member companies.
2. Voluntary product take-back mandate and recycling rate targets:

This would require a purely voluntary approach for the take back with no penalties for not meeting the targets.

3. **Mandatory take-back and targets with a tradable recycling scheme:**  
In addition to mandating take-back and setting recycling targets, this would allow trading of credits among producers to meet the required targets.

**The economic instruments include the following:**

1. 'Advanced recycling fee (ARF)', which imposes tax on the sale of the product to cover the cost of recycling EOL products. Fees are assessed per unit of the product and are charged at the point of sale either separately or assessed upstream on producers and incorporated into the retail price.
2. 'Recycling fee combined with recycling subsidy', which uses the revenue generated from either the ARF or post-consumption recycling fee to subsidise the recycling process. Revenue generated can be used in several ways. It is either used to subsidise the upstream producer's activity of getting the waste recycled or cost of managing the waste including the infrastructure cost.
3. 'Deposit refund system (DRS)' combines tax on the product consumption (the deposit) with rebate or refund when the EOL product is returned for recycling or environmentally friendly disposal. The deposit sum of the commercial cost of the product and the environment cost associated with recycling. The mechanism encourages reduction and reuse of material inputs and ensures flow of materials for recycling and recovery

**Advantages of EPR:**

1. **Creation of a sustainable production and consumption policy:**  
EPR is a key element in implementing a sustainable production and consumption policy, promoting resource efficiency, high-quality recycling, substitution, use of secondary raw materials and the production of sustainable goods. As a result, it will improve the environmental performance of products throughout their life cycle, while meeting industrial and consumer needs
2. **Incentives eco-design:**  
With the introduction of EPR, producers will be encouraged to incorporate changes in the design of products in order to be more environmentally sound. This will make products easier to dismantle, reuse and recycle. In this way, the total environmental impact of a product decreases and waste prevention is stimulated.
3. **Full internalisation of environmental costs:**  
The full internalisation of environmental costs allows for the financing of a sustainable and economically efficient management of waste. The environmental costs, at the least, include costs for pollution prevention and the collection, recycling and treatment of waste. These environmental costs should be incorporated into the price of products. Consequently, the consumer, and not the taxpayer, bears all costs related to the waste they have produced, which is more socially fair.

**Finally**, all levy funds raised must be strictly funnelled back into supporting businesses to adapt practices, adopt new practices and to support social enterprises with business models



based on the recycling, upcycling, and repurposing of waste streams such as the <sup>4</sup>Rediscovery Centre paint workshop.

The Environment Levy should be ringfenced to fund deficit infrastructure for recycling, waste recovery, composting, waste to energy district schemes, education and awareness raising across all of society e.g. in classrooms, in businesses and for consumers, to support circular economy models/ social enterprises and projects to inform and educate business to design out waste. The Environment Levy when strictly ring-fenced should support research development and innovation and to increase the affordability of alternatives for businesses.

It is essential that any programme of action adopted provides clarity to the business community, is agile and incorporates continuous assessment and review. The establishment of key performance indicators will be instrumental in progressing actions, as will the commitment to ongoing review and updating as conditions change. Furthermore, to benefit engagement and transparency, we request the inclusion of a commitment to publish periodic progress updates.

We highlight the opportunity to engage with private sector business representation as a partner on actions and believe there are practical benefits in this approach. We believe that this is instrumental to facilitate fully representative discussions of future pathways and actions that are informed via ground up engagement. Resilience and capacity building are key, and business needs to be supported with a strong regulatory and policy framework.

We emphasise the value of public consultations and welcome future opportunities to engage on this and associated topics.

Yours Sincerely,



**Michelle O'Sullivan**  
**Senior Public Affairs Executive,**  
**Cork Chamber**

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<sup>4</sup> <http://www.rediscoverycentre.ie/>