

Single Use

From: [REDACTED]@butlers.ie>
Sent: Thursday 24 November 2022 13:19
To: SingleUse
Subject: Latte Levy
Attachments: IRELAND THINKS - November Poll.pdf

“Latte Levy” Submission on Behalf of Butlers Chocolate Cafes

Butlers Chocolate Cafes

Founded in 1932, Butlers is Ireland’s premier family-owned firm dedicated to the craft of exceptional chocolate making. The company is 100% Irish family owned and everything it achieves is the result of teamwork and the pursuit of a common goal; to create the most delicious chocolates and to look after all of our customers to the best of our ability.

Butlers opened its first retail outlet in 1989 on Dublin’s premier shopping street, Grafton Street. This shop was the foundation for the company’s very successful retail concept - Butlers Chocolate Cafés. There are now 26 Butlers Chocolate Cafés in high profile locations in Ireland.

Butler Chocolate Café is a much-loved brand serving the highest quality coffee, luxury chocolates and food in a stylish and welcoming setting. Excellence in product quality, taste and consistency are at the heart of Butlers Chocolate Café. Our store format ranges from kiosks and small format stores, to medium size stores with limited seating and a large emphasis of coffee to go, to our larger flagship stores in the likes of Dundrum Shopping Centre and Pavillions Shopping Centre Swords where we have considerable seating but still a large percentage of coffee to go sales.

The company now employs 450 staff throughout its factory in Dublin and the Butlers Chocolate Café network in Ireland. The ethos of family and togetherness permeates the very special culture at Butlers. It is a company that has very loyal staff, many of whom who have stayed with the company for many years and have seen their careers develop and grow along with the company.

The Latte Levy

In July, the Irish Government passed the Circular Economy Act into law, which will introduce a levy starting at 20c - and prospectively an outright ban - on single use items, including renewable fibre paper cups, at a hugely challenging time for businesses across the country.

The latte levy hurts business

- In the current climate of post-Covid markets recovery, record levels of inflation, spiralling input costs from coffee to paper to dairy, pressures on rents and commercial rates, and an energy crisis with businesses seeing 400% surges in electricity costs, the burden of the levy and prospective ban will threaten Irish cafes even further. The timing quite literally could not be worse. The past 3 years have been the most challenging the sector has seen for 30 years.
- The levy would require installation of energy-intensive washing and drying equipment, which would greatly harm businesses that serve on-the-go customers. Takeaway trade is a significant portion of the market for Irish industry, which employs approximately 15,000 people in independent businesses alone. There is also a very practical problem vis a vis this – most kiosk and small format stores simply would not have space or services for washing and drying equipment even if they wanted to install. No thought or consideration has been given to the practical implication of same and the role of the HSA, there are operational, health and safety & insurance complications around this. This levy could literally put thousands of stores out of business overnight.
- Studies indicate that a ‘latte levy’ would result in a minimum of 8% lost footfall for hot drinks, plus further losses from add-on sales.

- More than 80% of vendors in Ireland have invested in certified compostable or certified recyclable paper cups, yet the levy will needlessly punish them for their efforts. We at Butlers Chocolate Cafes have been using a 100% recyclable cup for the past ten years at a significant additional cost.

The latte levy hurts consumers

- The public does not support the levy: 63% of respondents in a 2022 Ireland Thinks Poll said that the Government should prioritise increasing pathways to and capacity for recycling or composting facilities, instead of issuing levies or bans on paper cups.
- The levy will increase the cost of a daily coffee for customers by approximately 6%, notwithstanding the incoming VAT raise to 13.5%, which will add an additional 5%. Market data and price surveys suggest that the price of a cup of coffee in 2022 has already risen by an average of 16% since 2021. This levy is extremely inflationary with a disproportionate and unfair focus on one product in one sector.

The latte levy contradicts the principles of a circular economy

- An uptick in reusable cups will increase the amount of plastic in circulation.
- Reputable Life Cycle Analysis studies show that reusable items involve water use, transport and plastic packaging that creates 2.8x more carbon dioxide and uses 3.4x more freshwater than renewable paper-based single use products.

Government analysis of the levy relies on incorrect market facts

- A levy places a disproportionate focus on coffee cups, even though the National Litter Pollution Monitoring System reports that ‘drinks cups’ represent just 1.7% of Irish litter.
 - When comparing the total volume of cups to the total volume of waste as reported in the Environment Protection Agency’s 2019 report, paper cups represent just 0.0003% of the total waste in Ireland.
 - Paper cups are ranked 47th on the official EU Marine Litter list (SUPD survey).
- The Department of the Environment, Climate and Communications commissioned a Regulatory Impact Analysis to examine the prospective benefits of the latte levy. The RIA report grossly overestimates the current coffee market size and claims that there is a 25% uptake of reusable cups in the takeaway market, when in reality this figure is less than 3%.
 - The RIA report also relies on incorrect data on littering of coffee cups and fails to use the 1.7% figure as reported by the state’s own National Litter and Pollution Monitoring System.
 - Finally, this RIA report / survey is not only inaccurate it is out of date – it was completed precovid and hence does not take current market conditions or consumer behaviour into account at all. We are living in a new world.

What are the alternatives?

- Other EU countries have met plastic reduction targets by banning 100% plastic items or placing progressive levies based on plastic content percentage. This incentivises industry to opt for recyclable and compostable products with lower plastic levels.
- All paper cups can and should be recycled. Irish fibre waste for recycling is generally exported to other EU countries or to the UK. Materials recycling facilities in these jurisdictions accept all types of paper cups for recycling and are actively seeking significant volumes of paper cups, so there are pathways to circularity if paper cups were added to recycling lists.
- Deploying collecting scheme for paper based recyclable products whether recycling occurs in Ireland or other EU countries and the UK.
- The Irish Government has encouraged incentives to recycle 100% plastic items, with no levies or punitive actions in place for plastic bottles or caps for example. Industry would welcome similar

positive engagement with the Government to achieve circularity for renewable, recyclable, organic fibre packaging.

Yours sincerely,

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Retail Director

Butlers Chocolates., Clonshaugh Business Park, Dublin 17, Ireland. Registered No. ██████████

www.butlerschocolates.com

Ireland
Thinks.

Research services

Est 2016

What is our polling methodology?

Stage 1: Where do your participants come from?

Using random digit dialling and online ads Ireland Thinks has built a panel of approximately 25,000 people, the equivalent of Thomond Park Stadium who are happy to participate in our monthly polls. This is continually topped up through advertisements targeting specific demographics as and when they are needed.



Stage 2: So, these are surely highly engaged people, how are they representative?

No. For our polls our algorithm chooses 5,000 specific individuals to take part. They are chosen on the basis of their demographics and behaviours (age, gender, religious adherence, educational attainment, past voting behaviour, political interest etc.) to ensure that they are an **exact replica** of the census and within that, the most recent general election exit poll.

Note: This algorithm minimises design-effect error, meaning that cross-tabs tend to be more reliable.



Stage 3: So how do you contact them? And how do you know the right person is answering?

Participants are sent an SMS message with a unique URL to participate in the opinion poll. Over 90% of the population own a smartphone, far fewer are at-home during the day (for face to face), use land-lines, or respond to unsolicited calls, or emails. Any duplicated entries from the same URL are deleted as is the user. Respondents must also match the data we have on record for the respondent.

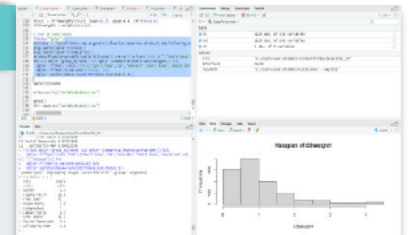
Note: Here we minimise social desirability bias and non-response bias.



Stage 4: How long does it take? How do I know they're responding accurately?

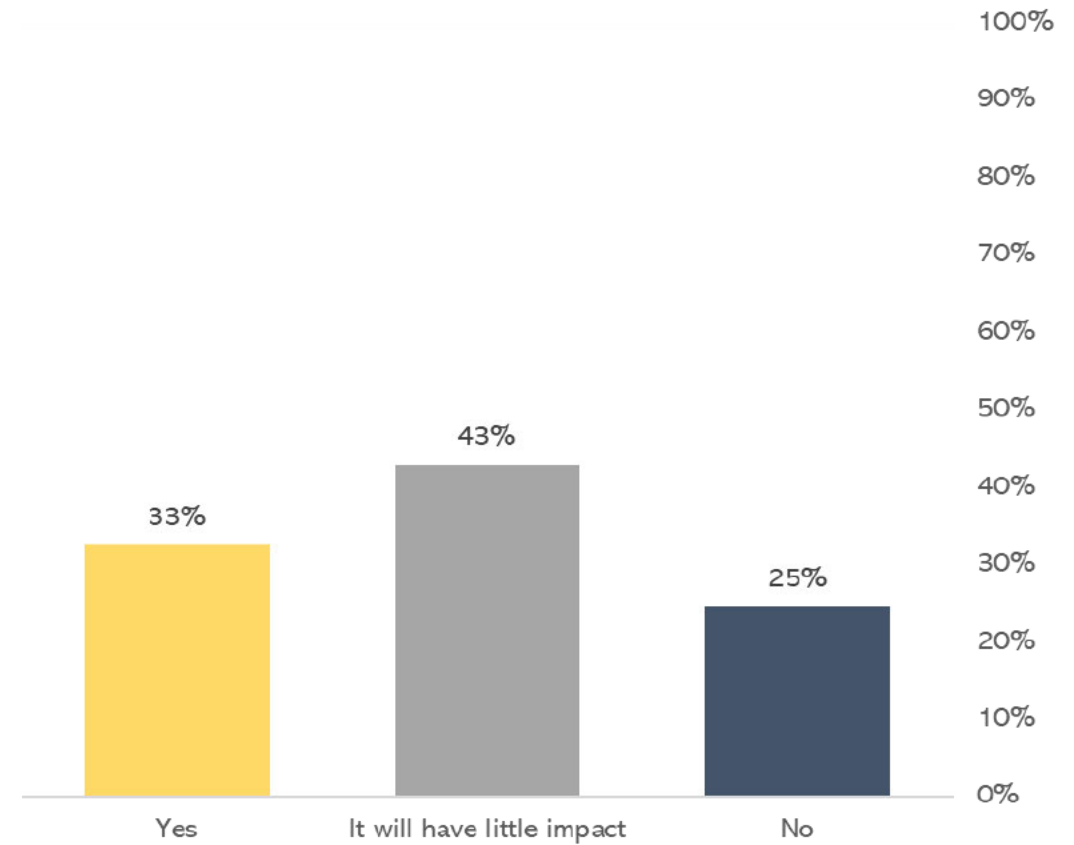
We get over 1,000 responses within 3 hours, rising thereafter. The respondents experience is central to ensuring that we have quality responses. The polls are short, enjoyable and participants are rewarded by selecting the charity that we will donate to and results are published in a national newspaper. The responses are weighted to ensure that they are exactly representative of the population in terms of the same demographics above.

Note: Finally we minimise respondent error and sampling error.

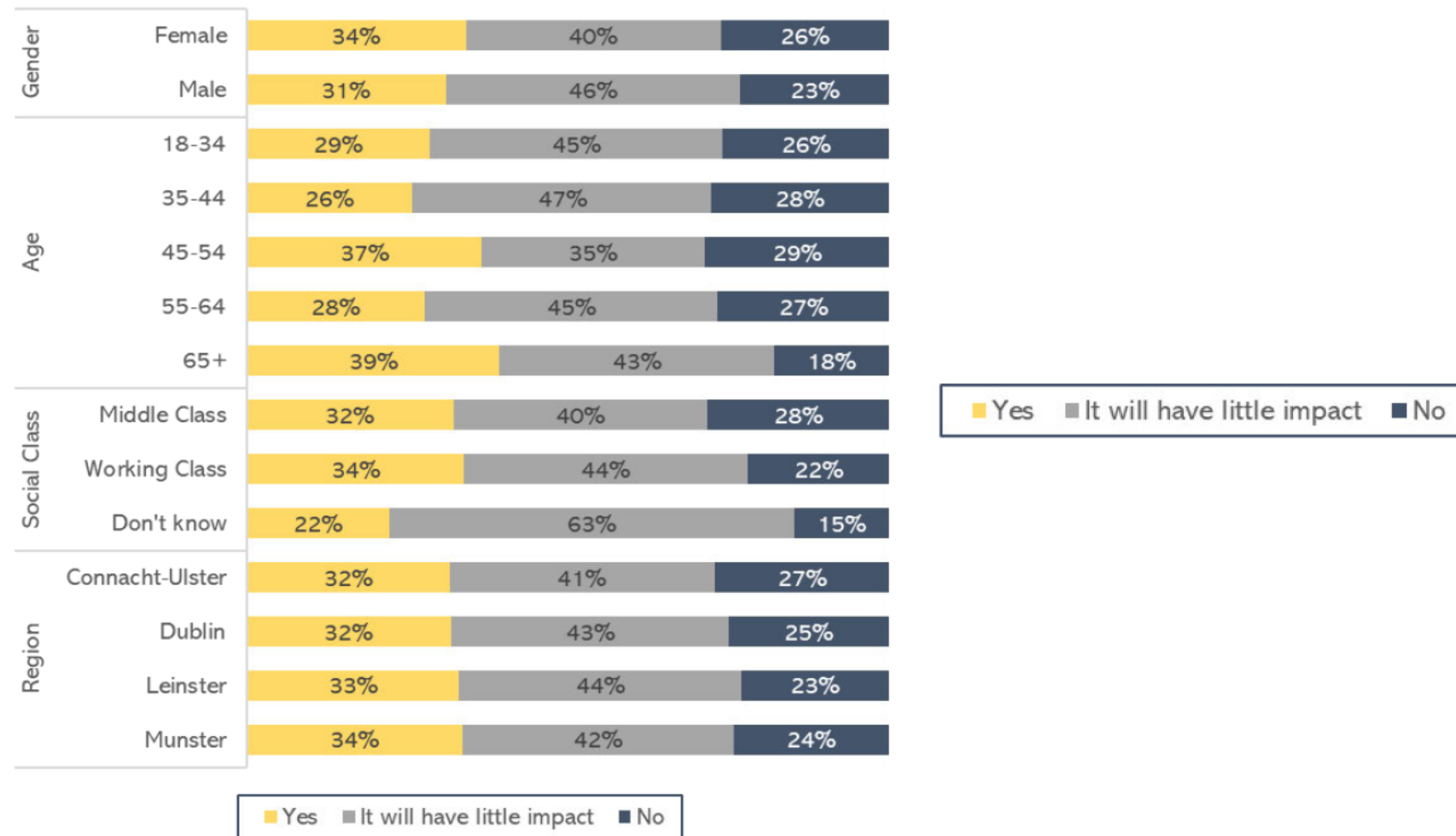


This poll was conducted on Friday 4th and Saturday the 5th of November.
The sample size was 1,002

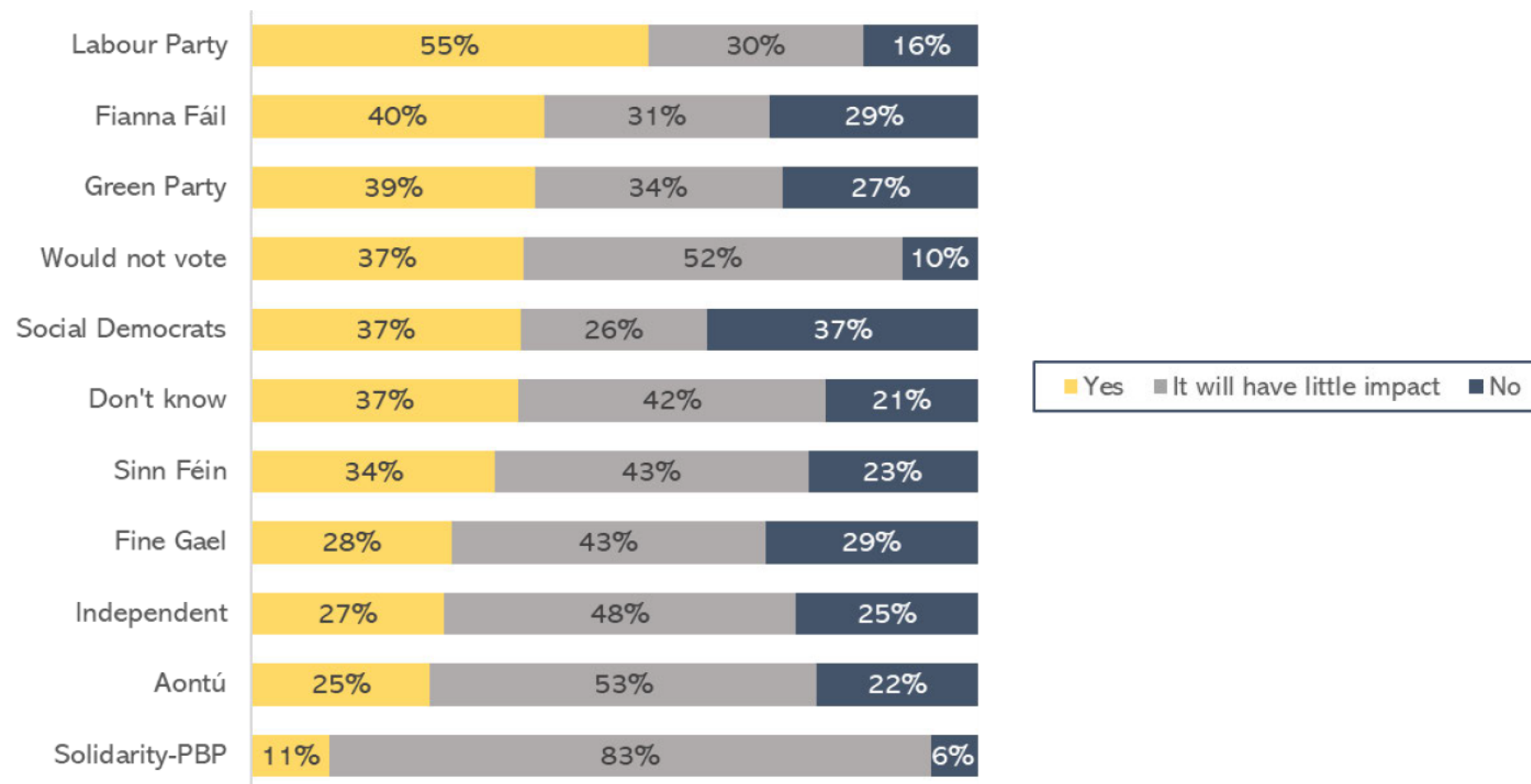
'If a 20 cent levy on paper cups is implemented will you spend less on takeaway teas and coffees?'



By demographics

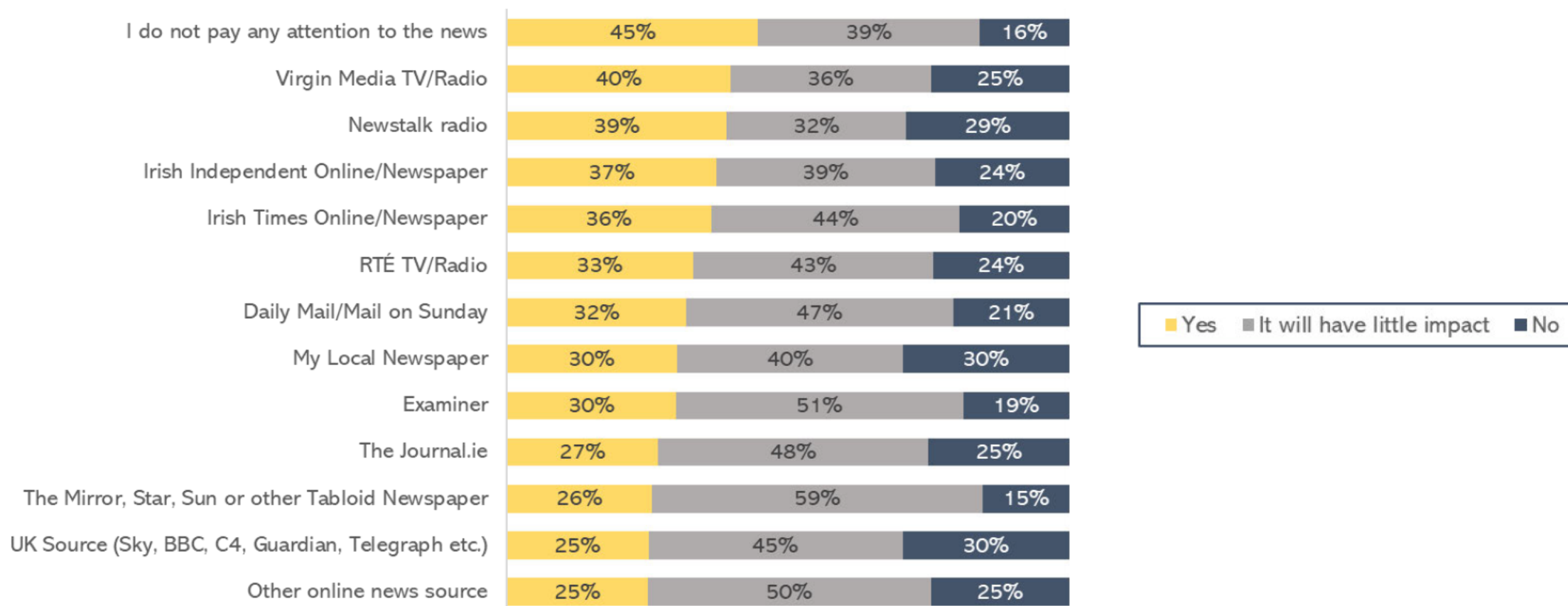


By current voting intentions

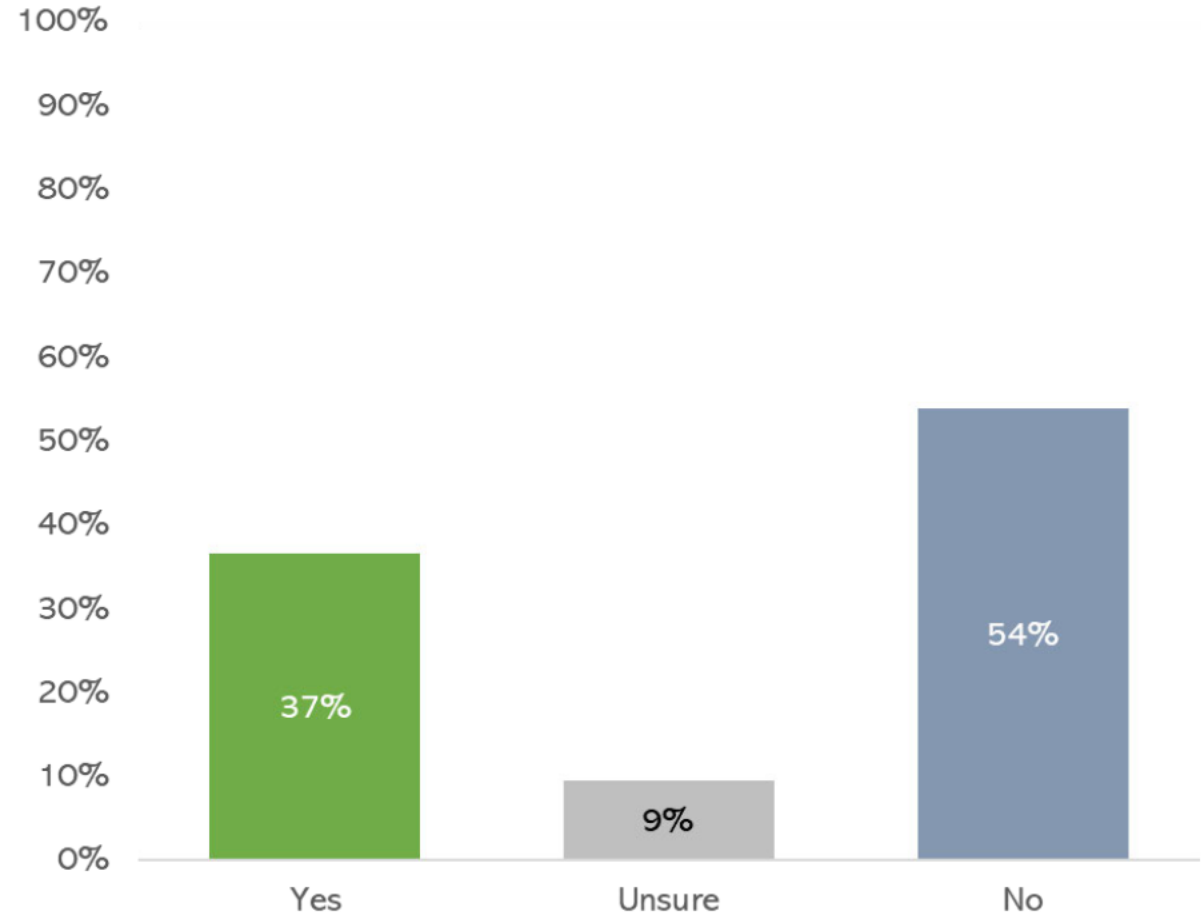


By news consumption

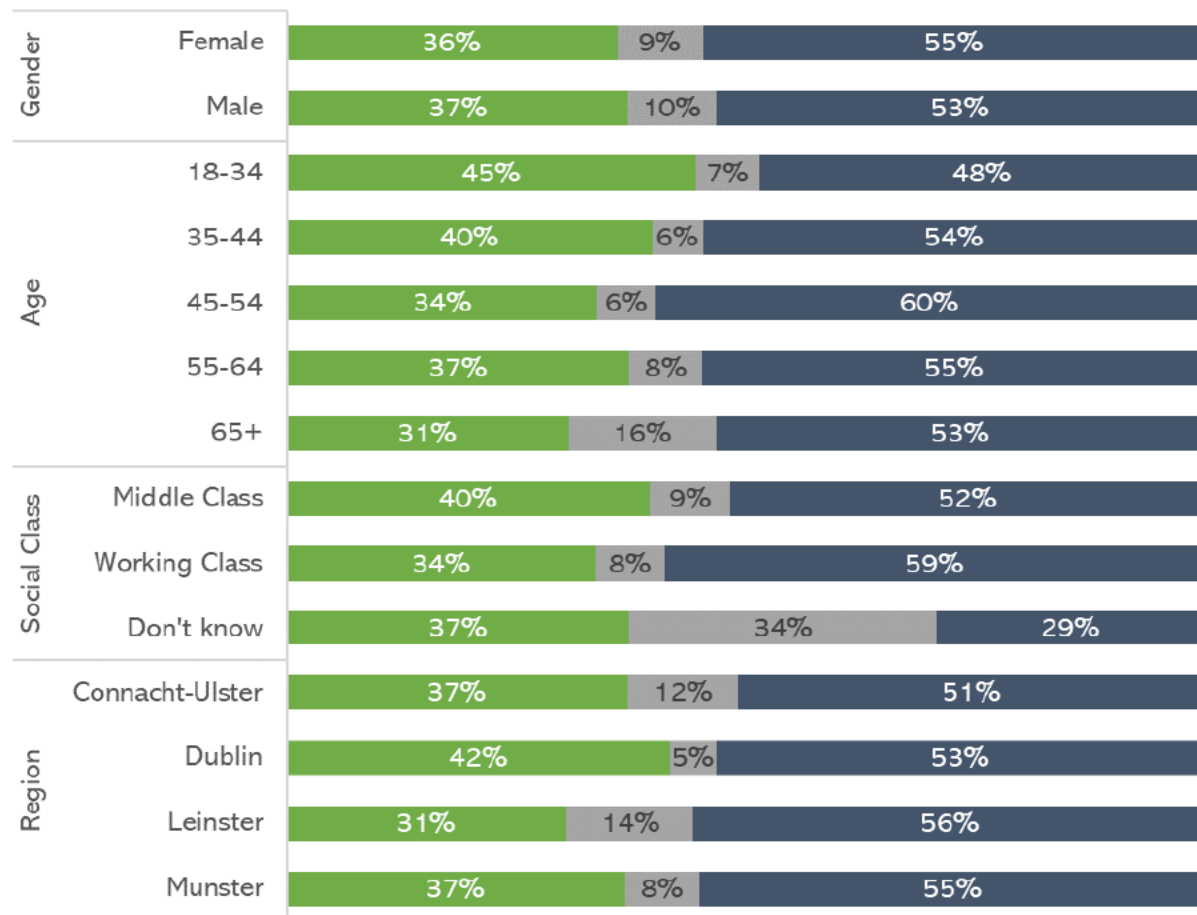
“Which of the following is your go-to for news? (select up to 3)”



‘Should a levy on paper cups include recyclable compostable paper cups?’

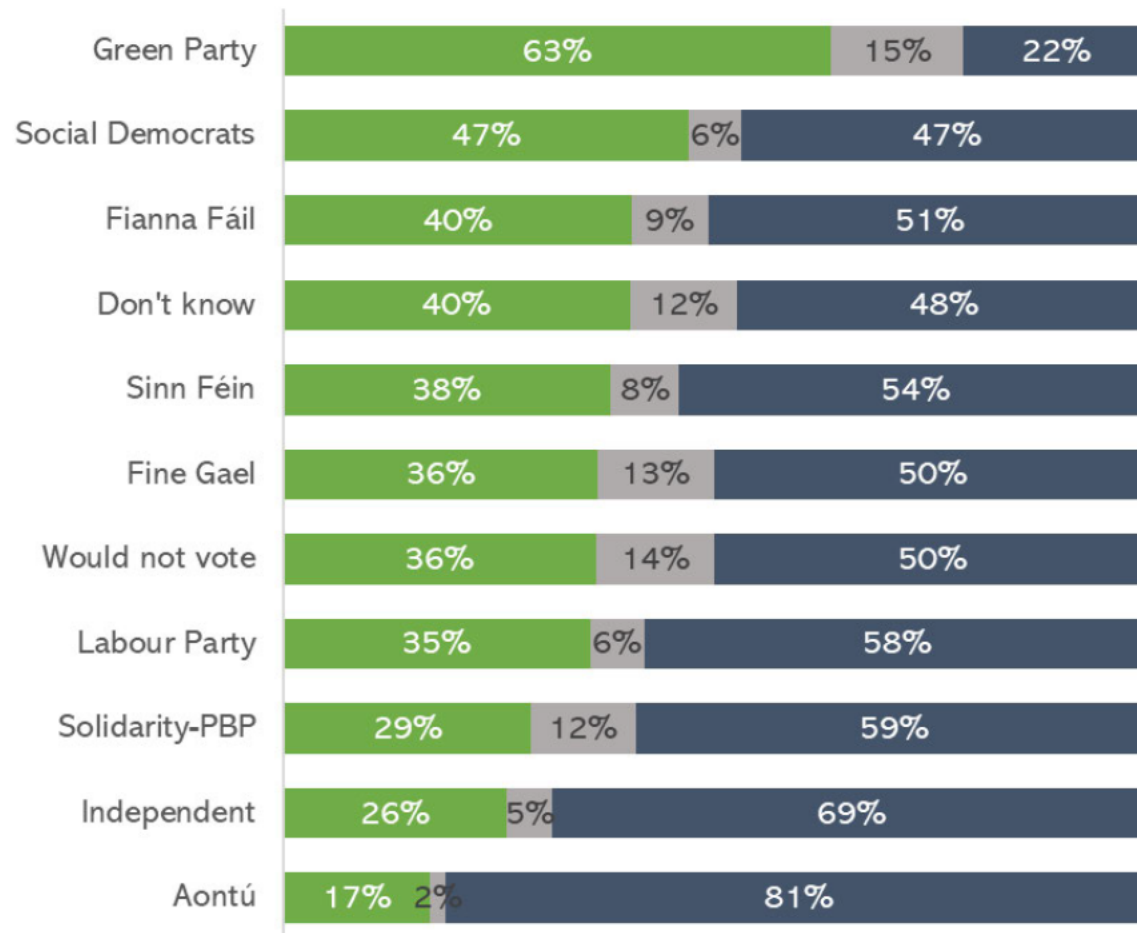


By demographics



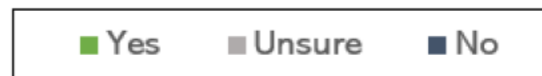
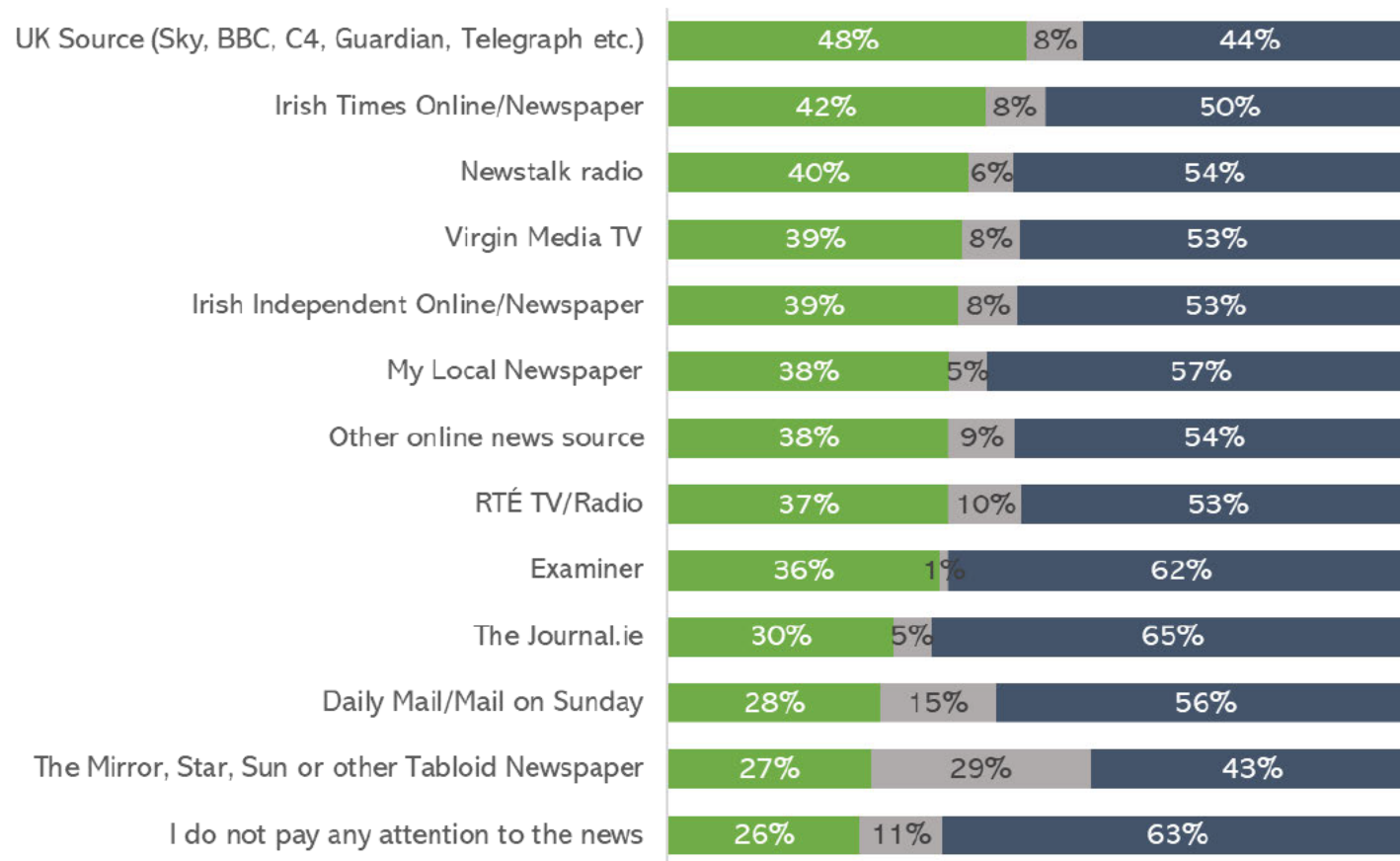
■ Yes ■ Unsure ■ No

By current voting intentions



By news consumption

“Which of the following is your go-to for news? (select up to 3)”



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