

Single Use

From: [REDACTED]@coffeeangel.com>
Sent: Friday 25 November 2022 15:47
To: SingleUse
Subject: Latte Levy Public Consultation

To Whom It May Concern,

I would like to begin by saying that Coffeeangel fully supports tackling the environmental challenges posed by single use cups. However, we wholeheartedly believe that this proposed legislation, whilst undoubtedly reducing single use cups, will also prove to be irreversibly damaging to retailers and the viability of our business. In short, this will also undoubtedly result in job losses and business closures.

Should this Levy be imposed, the operational complications and costs around implementation, reduction in service efficiency, significant increase in the health and safety risk to both staff and customers (resulting in considerable and inevitable rises in insurance costs given the burden in on retailers), will all serve to considerably reduce profitability and the viability of daily operations at a time of great financial turmoil and hardship.

Further comments below:

The latte levy hurts business

- In the current climate of post-Covid markets recovery, record levels of inflation, pressures on 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 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.
- 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.

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 7%, notwithstanding the incoming VAT raise to 13.5%.

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 which 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%.

- o 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.

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.
- 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.

I remain at your disposal should further information be required.

Kind regards,

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Managing Director



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