

## Single Use

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**From:** [REDACTED]@arboretum.ie>  
**Sent:** Wednesday 23 November 2022 17:01  
**To:** SingleUse  
**Subject:** Arboretum Latte Levy Submission  
**Attachments:** Latte Levy Submission - Retail Excellence.docx

**Importance:** High

To Whom It May Concern: I have completed the survey as a retailer and attached is additional submission.

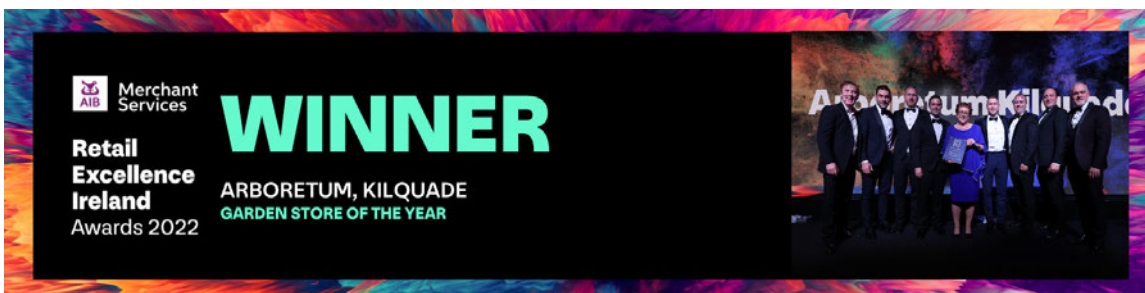
Thank you



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# Critical Inadequacies of Circular Economy, Waste Management (Amendment) and Minerals Development (Amendment) Act 2022

## Introduction

Retail Excellence is the largest retail representative body in the country with over 2,000 members. Among these are more than 600 shops that sell coffee and hot beverages including some of the larger chains, forecourts and smaller family-owned businesses. Around 15,000 people employed in coffee shops across the country and 70% of the business carried out is in takeaway beverages.

Over the last two years these businesses have faced enormous disruption, with the pandemic impacting on footfall for those in city centre locations, recruitment challenges and, more recently, the rising costs of doing business including a substantial increase in energy costs.

Our members who own and manage coffee shops across the country are very concerned about the introduction of the 'latte levy' which will add a minimum of 20c to the cost of a 'takeaway beverage' at a time when running their business has never been more challenging.

## Background

According to EU regulations, waste treatment cannot be limited to mere waste volume reduction, and needs first and foremost to achieve "the best overall environmental outcome" for that country's context as stated in the WD 2008/98 Article 4,§2<sup>1</sup> explaining the principle of the waste hierarchy. EU member states are instructed to implement regulations with this overarching goal front of mind.

If the proposed legislation is enacted, we can expect that reusable plastic cups will be the primary replacement of paper-based cups, contributing to a significant increase in plastic products – which is in contradiction to the goal of plastic-reduction legislation.

Paper cups are not waste, but a valuable secondary raw material used in the truly circular paper value chain to provide many different new products (such as cardboard and egg boxes, drinks carriers or household paper rolls).

## Litter and paper cups

Paper cups represent just 0.0003 percent of the total waste in Ireland<sup>2</sup>. They are ranked 47th in the list of items found on the EU beaches, together with other paper items representing 0.27 percent of the litter.

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<sup>1</sup> [DIRECTIVE 2008/98/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL](#) (As amended 2018, section 4.2)

<sup>2</sup> According figures by Environmental Protection Agency [National Waste Statistics Summary Report for 2019](#) and REPAK, where total annual waste is cited as 9.5M tons per annum

According to state data collated in the National Litter Pollution Monitoring System's 2021 Report<sup>3</sup>, 'drinks cups' represent just 1.7 percent of litter waste – whereas many other items, such as sweet wrappers, bags and bottles of various materials that are not currently legislated for represent 18.7 percent of 'packaging litter' and other 'food-related' litter represents 11.2 percent.

While the Government and industry stakeholders alike should be seeking to reduce litter of all kinds, the evidence is clear: paper cups are not the prime offender yet have received disproportionate 'airtime' during the legislative process for the Circular Economy Act.

Furthermore, Ireland produces compostable cups for an Irish population that is equipped with a brown bins collection system dedicated to composting this type of product.

### **Effect on retailers**

The latte levy will have a negative impact on sales and put pressure on hard-pressed businesses. It will impact customers by increasing the cost of a cup of coffee by 7% on average.

In the current post-Covid climate, record inflation, commercial rates reevaluation pressures and an energy crisis adding an average of 400% to electricity costs threaten a workforce of at least 15,000 employees in independent stores alone.

### **Operational complexities**

The ambitions of a circular economy are admirable, and industry stakeholders want to play their part in working with the Government towards a more sustainable Ireland. For the intentions of the circular economy legislation to be successful, there are obstacles that must be overcome that are critical to businesses. These obstacles highlight a lack of engagement with industry during the legislative process.

- For hygiene and safety liability purposes, some indemnifiers stipulate a requirement to use a disposable cup to decant drinks into a reusable container presented by the customer – so a disposable cup will continue to be used regardless of the levy being in place.
- Regulation on whether vendors should accept cheap 100% plastic reusable alternatives levy-free has not been clarified.
- Costly, energy-consuming equipment may be required to either wash customer cups or to offer customers a space to wash their own reusable cups. This presents operational, health and safety and insurance complications and places complexity and burden on vendors' staff to 'police' reusables. It will have a knock-on impact into the operation of the retailer and will result in a decline in sales.

### **Concerns**

We support initiatives to progress a circular economy that help Ireland to achieve its sustainability goals. Across the country retailers have been taking steps to make their businesses more

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<sup>3</sup> [National Litter Pollution Monitoring System Report 2021](#) (Tobin Consulting Engineers)

sustainable, sourcing locally, introducing energy saving initiatives and recycling are now commonplace.

As such, we recognise that a levy on single-use coffee cups is warranted in certain circumstances. However, it does not make sense that, under current proposals, recyclable and compostable cups will also be levied. This is an economically regressive move that will have a disproportionately bad effect on sustainable retailers.

Moreover, according to a survey conducted among 1,002 adults in November 2022 by research agency Ireland Thinks, 54% of respondents do not believe that a levy should apply to recyclable and compostable coffee cups.

As a result, café and coffee shop retailers are disappointed with the outcomes of the legislative process for the Circular Economy Act and proposed 'latte levy'.

Retailers are experiencing an extraordinarily difficult trading environment, and a blanket levy on coffee cups – regardless of how they are made – is the wrong move. The Government needs to revisit its proposal as a priority.

### **Proposals & Alternative Solutions**

Instead of a levy impacting industry, restaurants and customers, an improved circular economy could be achieved through:

1. Excluding truly recyclable and compostable single-use cups from the proposed levy.
2. Reducing plastic waste and plastic littering, in compliance with the EU Single-Use Plastics Directive (SUPD), using decreasing plastic thresholds like the ones France implemented for cups, with 15% plastic maximum allowed in 2022 and 8% in 2024. Ireland could also follow Italy's example by setting a maximum 10% plastic threshold for single use cups.
3. Modulating Extended Producer Responsibility (EPR) fees to tackle waste according to the priority environmental and littering impact.
4. Deploying collecting schemes for paper-based recyclable products [targeted on littering spots] whether the recycling occurs in Ireland or in other EU countries and the UK.
5. Upgrading composting schemes through increased efficiency targets and financial support.

### **Conclusions**

- The levy has a disproportionate focus on paper coffee cups, and a disproportionately negative impact on sustainable retailers who use recyclable and compostable cups.
- The levy as it currently stands will unnecessarily limit the freedom of enterprise and impose costs across the value chain, including consumers.

