

**SingleUse@DECC.gov.ie**

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**From:** SingleUse  
**Sent:** Friday 2 December 2022 13:55  
**To:** [REDACTED]@freshcup.ie; SingleUse  
**Subject:** RE: Disposable Cup Levy Public Consultation Submission from Freshcup

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Hi [REDACTED],

That's no problem, we will use the PDF version.

Regards,

[REDACTED]

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[REDACTED]  
*Circular Economy – Materials Management Division*

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**From:** [REDACTED]@freshcup.ie [REDACTED]@freshcup.ie>  
**Sent:** Friday 2 December 2022 12:20  
**To:** SingleUse <SingleUse@decc.gov.ie>  
**Subject:** FW: Disposable Cup Levy Public Consultation Submission from Freshcup

Hi

I just realised that we made our submission on a word doc on Nov 25<sup>th</sup>, please find a PDF version of the same document attached. if cannot be accepted at this stage please revert to the word doc.

Kind Regards

[REDACTED]  
**Freshcup**

M: [REDACTED]  
[www.freshcup.ie](http://www.freshcup.ie)



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**From:** [REDACTED]@freshcup.ie [REDACTED]@freshcup.ie>  
**Sent:** 25 November 2022 14:13  
**To:** [SingleUse@decc.gov.ie](mailto:SingleUse@decc.gov.ie)  
**Subject:** Disposable Cup Levy Public Consultation Submission from Freshcup

Hi

Please find attached Disposable Cup levy Public Consultation Submission from Freshcup.

Kind Regards

[Redacted]

**Freshcup**

M: [Redacted]

[www.freshcup.ie](http://www.freshcup.ie)





FRESHCUP IRELAND

DISPOSABLE CUP LEVY CONSULTATION - SUBMISSION

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## 1) Executive Summary

Every year billions of disposable takeaway beverage containers for tea/coffee etc are thrown away. The vast majority of these are unable to be recycled and end up being sent to landfill/incinerated. As governments wrestle with reducing carbon emissions and meeting carbon reduction targets set at UN levels, they are planning to introduce so called 'latte levies.'. The aim is to encourage consumers to retain a 'keep cup' to reuse every time they want a beverage. The concept is similar to the plastic bag levy introduced in Ireland in 2002, which has reduced plastic bag usage by 95%.

FreshCUP™ Ireland fully support the introduction of the Latte Levy proposed in the Public Consultation. FreshCUP™ Ireland believe we have a product which is the solution to industry stakeholder feedback which has raised issues about hygiene and economic cost to them of the Latte Levy, and create 15 new jobs.

FreshCUP™ is a micro dishwasher which can be sited beside existing beverage dispensers allowing customers/office workers to wash their 'keep cup' thus avoiding the 'latte levy' in 30 seconds. By adopting the FreshCUP™ users will contribute to reduced carbon emissions by negating the need for disposable cups and enjoying a lower price for their beverage. See [www.freshcup.ie](http://www.freshcup.ie) for further information.

If they avail of our monthly rental offer, when we factor in the costs of the detergent (0.10c per cycle) electricity (based on 0.30c per kWh), water (0.90c per cubic metre) when compared to a disposable cup and lid (0.15c per unit) the saving per 1000 cycles is 50%.

FreshCUP™ believe the economic benefits our product offers retailers makes a compelling business case. Nevertheless, Government may consider financial supports to retailers who install a FreshCUP™ machine on a once off basis. Such a scheme would encourage adoption from not only large retailers but also importantly smaller/independent operators who may have financial pressures from increased energy costs/other inflationary pressures.

## 2) Environmental Context

According to the World Economic Forum (WEF) plastics have become a ubiquitous material driving the modern economy coming unrivalled functional elements with low cost yet hundreds of millions of tonnes of plastic with biodegradation lifecycles of hundreds of years are currently polluting the oceans and seas of the planet.

According to the United Nations Environmental Programme only 22%-43% are recycled. Reports by Environmental Protection Agency and the WHO clearly establish a causal link between environmental quality and human health.

A recent report from NUIG indicates an occurrence of microfibre plastics in the guts of 73% of fish species in the North Atlantic. The report suggests that the high rate of microfibre plastics found in the gut are of primary concern to the health of the fish species and the entire ecosystem.

This indicates that significant risks from the overreliance on single use plastics to the environment and to human health and wellbeing exist and are interlinked. Further the rapid rise in single use plastics which is fuelled by our faster 'on the go' lifestyle is unsustainable. The risks these unsustainable practices represent require that we as human beings must transform our way of living by altering the impacts of these risks to our everyday behaviour. This includes reducing the production use and disposal of single use plastics. The positives are that these changes are not only socially and environmentally sustainable but make more economic sense than the current trajectory we are on.

The European Environment Agency (EEA) Country Profile report on Ireland states that: 'Recent research estimated that if Ireland achieved a target of a 2% reduction in domestic material consumption per annum this would yield savings of approximately €928m in the first year and increased annual savings thereafter.

A recent pilot study carried out by Cardiff University explored a series of interventions to promote the use of reusable cups. The study found the following:

- A charge/levy on disposable cups increased the use of re-usable coffee cups by 3.4%
- Environmental messaging in cafes increased the use of reusable coffee cups by 2.3%
- The availability of reusable led to an increase of 2.5%
- The distribution of free reusable cups led to a further increase of 4.3%
- The provision of free reusable alternatives combined with clear environmental messaging and a charge on disposable cups increased the use of reusable cups from 5.1% to 17.4%

## **SUDCs**

Single Use Disposable Cups (SUDCs) are a common example of single use products that by definition have a short usable life. The energy, water and resources that go into their production have generally served their purpose as soon as the consumer has finished their drink. The types of cups that may be defined as single use disposables are varied, but most often describe paper cups with either a plastic polyethylene (PE) lining, or a compostable, vegetable starch Polylactide (PLA) lining. The PE lined cups have been one of most common types found in coffee shops and beverage retailers. Their plastic resin lining offers strength, waterproofing and safety. These features are some of the reasons why they have been retained as an industry standard.

However, whilst the plastic and paper components of those PE cups are technically recyclable, their close integration presents challenges for recycling facilities to process. As a result, they are not widely recycled. 'Easy' recyclable cups also exist in the market and generally offer a system and or composition that facilitates wider recycling and/or greater material recovery. The cups must still be placed into the correct recycling stream. Indeed, further issues can arise with these recyclable cups where they are disposed of in a dry recyclable stream despite retaining residual liquid. Compostable, bioplastic cups are perceived to have an advantage regarding this latter issue in so far as the presence of some residual liquid is not such an issue in the compost waste stream.

However, even still, the failure of many compostable SUDCs to make it to composting facilities presents a similar problem. The absence of street level compost bins is a major barrier to the end-of-life pathway for this type of cup. Compostable cups are generally not compostable in standard home composting or landfill environments. Indeed, for many SUDCs, whether recyclable, compostable or otherwise, reaching the appropriate end of life processing is a major problem.

Of the 2.5-10bn coffee cups used per year in the UK only 1 in 400 were estimated to be properly recycled (House of Commons EAC, 2017). More recent estimates suggest this may have risen to 1 in 25 – a substantial improvement. However, this is still only 4% of the product placed on the market. There are several technical, structural, and economic barriers influencing this low rate of appropriate waste stream processing. Including absence of appropriate end of life treatment capacities, limited bins and collections, consumer confusion and inadequate or inappropriate incentives for producers, retailers, consumers, and the waste industry.

Regardless of the relative merits of recyclable or compostable cups, or indeed what constitutes a preferred standard of disposable cup, the focus of the Latte Levy is on reducing dependence on all SUDCs. From a sustainability and circular economy perspective there are therefore positive environmental outcomes across energy, emissions and resource use that are associated with a national shift away from SUDCs towards more frequent use of reusable options. The EPA indicate that Ireland

has made reasonable progress on broader recycling rates, but large shares of waste still go to waste incineration and energy recovery. Drawing guidance from the Waste Framework Directive (2008/98/EC) and the European waste hierarchy, the policy ambition is clear with regard to encouraging 'prevention' as a priority, followed by re-use, recycling and then (energy) recovery.

### **Demand for SUDCs**

Prior to the COVID-19 pandemic there had been a growing movement to 'on-the-go' convenience sales models, which in part has led to the proliferation of a rapid consumption and disposal lifestyle. In an Irish context this trend was captured in many media articles<sup>10</sup> as well as by Bord Bia as part of its ongoing market insights reporting.

With a focus on just coffee shops and cafes, Bord Bia estimated consumer spending of €315m in 2017 rising to €362 million in 2019 (Bord Bia, 2017, 2019). Compound annual growth remained then in the region of 5-6% across some 2,100 outlets (Bord Bia, 2019). A 2017 estimate by Allegra World Coffee Portal on behalf of UCC Coffee Ireland, forecast growth of 7% in the Irish coffee market over the following 5 years<sup>11</sup>.

As consumers began preparing and consuming high quality coffee at home, consumer spending in Coffee Shops/Cafes dropped to €328m in 2020. However, the gradual easing of restrictions contributed to spending rebounding to €397m in 2021 (Bord Bia, 2021) with further growth in the sector anticipated for 2022.

This sustained proliferation of coffee drinking is a major factor contributing to the high use of SUDCs. SUDCs are convenience items and are thus suited to throwaway consumption patterns.

Reported values and estimates from a number of sources are below.

- Repak estimated that 550,000 cups per day are placed on the Irish market and projected that this will increase to 300 million cups per year (820,000 per day) by 2025<sup>12</sup>.
- A cup manufacturing industry body in Ireland indicated in 2019, that some 150m SUDCs are produced in Ireland each year, and that Ireland produces approximately half of the SUDCs used in Ireland annually. This equates to an estimate of 300 million cups per year.
- EPA data suggested some 14,000 tonnes of waste per year are attributable to SUDCs which the EPA equate to approximately 2m cups a day or 730 million cups per year<sup>13</sup>. This figure also aligns with the estimate of 2m cups per day reported by former Minister Naughten in 2017.
- Independent nationally representative surveys, commissioned in 2018 and 2019 estimated average retail hot drink consumption as being over 4 per adult per week,



with the 2019 survey identifying just under 2.5 of these being in an SUDC. Using the survey responses as the evidence base would indicate SUDC consumption in the region of 472 million cups per annum.

### **Proposal to implement a Latte Levy**

It is proposed to apply an initial levy in the region of 20c to SUDCs for purchased hot beverages in the Republic of Ireland. This regulation will be published in December 2022 and any revenue raised would go to the Circular Economy Fund (which will be the new name of the Environment Fund), where revenue 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 defined goals of the regulation proposed are:

1. To reduce the consumption and share of SUDCs used throughout Ireland.
2. To ensure resources are ring-fenced to support additional environmental initiatives, infrastructure and actions that drive positive change.

### **FreshCUP™ Position on Latte Levy**

FreshCUP™ fully supports the introduction of the Latte Levy as a measure to reduce the usage of SUDCs in Ireland and internationally.

FreshCUP™ is a micro dishwasher which can be sited beside existing beverage dispensers allowing customers/office workers to wash their 'keep cup' thus avoiding the 'latte levy' in 30 seconds. By adopting the FreshCUP™ users will contribute to reduced carbon emissions by negating the need for disposable cups and enjoying a lower price for their beverage. Businesses will see reduced costs from savings made purchasing 000s of disposable cups every year.

FreshCUP™ believe our product addresses many of the concerns raised by stakeholders in response to plans to introduce the Latte Levy. Below we outline some of the concerns raised and how FreshCUP™ provides an innovative, cost-effective solution which benefits both the end consumer and retailers.

### 3) Selected Stakeholder Feedback on the Latte Levy

The selected stakeholder consultation was undertaken in November and December 2019 via the DECC. Interested parties presented a broad range of perspectives on the proposal. Selected points from the submissions were:

#### Levy/No Levy

A levy should not be introduced. A ban on all SUDCs should be introduced: The opposing ends of the submissions ranged from a call for no levy to be introduced at all to having an outright ban on SUDCs. Those calling for no levy instead suggested allowing time for ongoing industry action, investment, and education campaigns.

On the other extreme, certain submissions called for an outright ban on all forms of SUDC in favour of reusable cup use in all circumstances. Those latter submissions highlighting that switching to a certain type of SUDC – even when processed correctly – does not in itself reduce SUDC consumption. Such a ban is outlined in the CEA as a potential policy destination. A blanket levy should be avoided.

#### Point of Sale or Supply Chain

The Levy should be imposed up the supply chain, not on retailers: A cup producer stated that the point-of-sale levy would be unfair on retailers and would have limited environmental effect, whereas a tiered supply chain levy would incentivise and affect supplier behaviour. This suggestion was countered somewhat by submissions recognising the need to change behaviour towards not just preferred SUDCs, but rather SUDC reduction and increased reusable use.

A point-of-sale levy is visible to the consumer, and behavioural research clearly shows the role and importance of this visibility regarding an intervention's capacity to influence behaviour. An upstream levy would instead focus only on preferential treatment for a given SUDC type.

#### Hygiene

Hospitality sector has raised concerns about hygiene for both consumers and staff handling reusable cups

#### Economic Impact

A levy will be bad for coffee sales and local businesses: This point was raised in the submissions with speculation and statements of negative impacts on the viability of retailers, the quality of coffee being sold, as well as a reduction of investment interest from global coffee retailers. However, insights from the nationally representative survey suggest modest demand impacts from the levy, with anticipated market growth (Bord Bia, 2021) gradually countering this effect. Furthermore, it should be noted that a number of submissions suggested that ***market innovation and new business models may create opportunities in the market*** for those who wish to appeal to consumer preferences for reduced SUDC consumption in Ireland.

#### **4. FreshCUP™ solutions to issues**

##### **Hygiene Concerns**

As governments wrestle with strategies to reduce carbon emissions and meeting carbon reduction targets set at UN levels, the proposed introduction of the so called 'latte levy' is seen as a positive step forward. As we see it, the aim is to encourage consumers to retain a 'keep cup' to reuse every time they want a beverage. The concept is similar to the plastic bag levy introduced in Ireland in 2002, which has reduced plastic bag usage by 95%.

FreshCUP™ is a micro dishwasher which can be sited beside existing beverage dispensers allowing customers/office workers to wash their 'keep cup' or ceramic cup thus avoiding the 'latte levy' in just 30 seconds. By adopting the FreshCUP™ users will contribute to reduced carbon emissions by negating the need for disposable cups and enjoying a lower price for their beverage. Businesses will see reduced costs from savings made purchasing thousands of disposable cups every year.

The benefits of FreshCUP™ have been recognised by such global corporations as IBM, Coca Cola, HP, Dell, Intel, Motorola and Microsoft, with dozens of other companies joining their ranks each month.

##### **Early Adopters Ireland**

In Ireland, FreshCUP™ is already in use in a number of Ireland's leading 3<sup>rd</sup> level institutions, including, University College Cork, University College Dublin, South East Technological University (Waterford).

We are also managing enquiries from large retailers/coffee retailers. These companies are clearly anticipating the introduction of the levy and are seeking solutions which allows them to conveniently and hygienically facilitate their customers avoid the levy by utilizing a re-usable cup which can be washed quickly at the coffee service point.

FreshCUP™ is an innovation in cleaning, saving the environment while saving time and money and mitigating consumer and industry concerns around hygiene. See <https://www.youtube.com/watch?v=2cIV6WauqVI> for demonstration.



## **Enhanced and measurable Hygiene**

A recent report conducted by Hubub cited that Hygiene was the thing most likely to put consumers off using a reusable system. Offering consumers reassurance around the washing process is a key driver in addressing this potential obstacle. This same report conducted a poll of 3000 people and 38% of them identified the fact that the reusable cup may not be clean / hygienic as a factor that would prevent them from moving away from disposable cups.

For hygiene reasons for both the consumer and/or the person serving the beverage there is a requirement to handle a clean and sanitary reusable cup.

This is where the FreshCUP™ system comes into play. A compact design and a 30 second cleaning cycle means consumers can quickly and hygienically clean their reusable cups in preparation for a new beverage. This is evidenced in a report conducted by the University of Arizona and Independent testing carried out by Bioscience Technology Laboratories in Israel.

At any given time there are potentially thousands of germs sitting happily on the rim of cups, unwashed teaspoons and unwashed sink sponges... With FreshCUP™'s reliable hot wash cycle and special blend of eco-friendly biodegradable detergents, you can rest assured that your cup is 100% clean, sanitised and ready to use.

## **Speed and ease of use for the consumer**

At the heart of FreshCUP™ is its proprietary detergent cartridge system: when placed in the FreshCUP™ washer, the patented formula cleans, disinfects and washes 2- 3 cups (depending on cup size) at the same time, in just 30 seconds.

FreshCUP™ is the world's leading short cycle dishwasher, which provides an instore/coffee dock solution to wash reusable and ceramic cups in a fast hygienic way and allows consumers to cease the use of disposable cups, avoid the Latte Levy, save €ks pa while making a sustainable choice.

It can take up to 45 seconds for a barista machine to prepare your coffee, in this time the FreshCUP™ machine will have cleaned and thoroughly sanitised your cup meaning no delays in getting your coffee fix.

FreshCUP™ is the fast, innovative, and sustainable way to avoid the latte levy and continuously reuse your cup

## **Sustainability**

Everyday we throw hundreds of millions of tons of plastic into the ocean, drowning ourselves in non-perishable waste. With FreshCUP™, you need only buy a singlereusable or ceramic cup and then wash it as often as you like, eliminating the plastic waste altogether. In Ireland we dispose of 22,000 cups every hour or 200 million per year.

The regulatory and environmental background to the launch of FreshCUP™ in Ireland is centred around the Government's ambition to have a carbon neutral economy by 2050.

The introduction of the 'late levy' is analogous to the introduction of the plastic bag levy in 2002. In order to avoid the 20c levy, consumers will change their behaviour to utilising reusable / ceramic cups which they will take to their coffee station in work, or takeaway coffee provider.

The introduction of the plastic bag levy lead to overnight behaviour change by consumers. It is estimated that it has reduced plastic bag usage by 95% from an average of 328 per person pa to 21 per person pa.

We anticipate the introduction of the latte levy will have a similar immediate impact on customer behaviour and will create an instant demand for a reusable cup cleaning solution at the site of consumption/purchase like FreshCUP™.

Each FreshCUP™ cleaning cartridge is capable of cleaning 1000 cups (depending on cup size), saving the planet from up to 1000 disposable cups, in every office, café, coffee shop, deli, every city, every country where FreshCUP™ is used. This environmental dividend is what makes FreshCUP™ such an exciting addition to the Irish market, and the imminent introduction of a 20c levy on each disposable cup used to sell/consume beverages.

## 5. Economic Case

### Cost Savings for retailer

Not only does the consumer save by not paying the cup levy, the retailer saves also. If they avail of our monthly rental offer, when we factor in the costs of the detergent (0.10c per cycle) electricity (based on 0.30c per kWh), water (0.90c per cubic metre) when compared to a disposable cup and lid (0.15c per unit) the saving per 1000 cycles is 50%.

If the retailer is already washing cups for consumers this presents many issues:

- a) How can you guarantee the cleanliness of the cup utilizing a manual process.
- b) €10.50 per hour is the minimum wage, if it takes 2 minutes to wash a customer's cup, that incurs a cost of 0.35c per cup, not including the cost of the detergent and hot water.
- c) Due to potential cross contamination most staff do not want to handle customer's dirty cups.
- d) If they have a commercial washer on site, the cycle time can be up to 5 minutes and each cycle uses on average 35 litres, again without factoring in the cost of detergent and the delay to the customer.

Another factor is the disposal of the disposable cups and the labour / storage costs associated with replenishing the cups.

Not only do you no longer need to buy disposables, but a single FreshCUP™ re-usable detergent cartridge cleans up to 400 mugs or, if you prefer, 1000 espresso cups.

Key benefits FreshCUP™ offers the retailer are:

- Fast, hygienic cleaning performance
- Contribute to carbon neutral economy
- Avoid the impact of the latte levy
- Significantly reduce costs to retailers of purchasing disposable cups

### FreshCUP™ Job Creation

Freshcup Ireland has been established to manage the sales, marketing, installation and customer support for FreshCUP™ in Ireland. These operations will create 15 new jobs within 1-2 years, based on early 2023 introduction of the Latte Levy.

## **6. Proposed Implementation Supports**

FreshCUP™ Ireland believes it has the product and solution to concerns raised by industry opposed to the Latte Levy introduction. Our cutting edge technology, ease of use and convenience facilitates the introduction of a Latte Levy by providing both consumers and retailers with an hygienic and cost effective way of continuously using their re-usable cup.

We strongly support the introduction of the Latte Levy given the environmental imperatives we all face as a country and a global community. Every step taken brings us closer to the Government ambition of a zero carbon economy and the Latte Levy is a painless and easy to implement action.

We acknowledge that industry have concerns about its introduction and FreshCUP™ believe every encouragement and incentive should be provided to ensure the Latte Levy does get introduced.

FreshCUP™ believe the economic benefits our product offers retailers makes a compelling business case. Nevertheless, Government may consider financial supports to retailers who install a FreshCUP™ machine on a once off basis. Such a scheme would encourage adoption from not only large retailers but also importantly smaller/independent operators who may have financial pressures from increased energy costs/other inflationary pressures.

FreshCUP™ would be keen to work with Government on such a scheme and how it would operate to ensure the Latte Levy successfully achieves its objectives of significantly reducing usage of SUDCs in every setting where SUDCs are used.