

Single Use

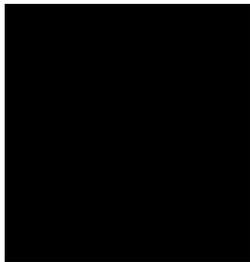
From: [REDACTED]@javarepublic.com>
Sent: Friday 25 November 2022 15:45
To: SingleUse
Subject: Consultation on draft regulations to introduce an environmental levy on single-use disposable cups
Attachments: Latte Levy Submission 251122.pdf; IRELAND THINKS - November Poll.pdf

Good afternoon,

Please see attached our submission in response to consultation on draft regulations to introduce an environmental levy on single-use disposable cups.

Kind regards,

[REDACTED]



[REDACTED]

Managing Director
Java Republic
*Coffee for the People by the Coffee
People*



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Java Republic Limited is registered in Ireland at The Roastery | 510 Mitchelstown Road | Northwest Business Park | Ballycoollin | Dublin | D15 PY8H | Ireland |

Reg No: [REDACTED] | Vat No: [REDACTED]

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Please consider the environment before printing this email



Artisan Roasted Coffee &
Hand-Crafted Tea

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November 25th, 2022

To whom it may concern,

In response to the Consultation on draft regulations to introduce an environmental levy on single-use disposable cups in Ireland, we as a business with our own cafes but also supplying close to 1000 cafes, restaurants & hotels across the island of Ireland support initiatives to progress a circular economy that help Ireland to achieve its sustainability goals. Supporting the environment has been core to our DNA for over 20 years in business, but are disappointed with the outcomes of the legislative process for the Circular Economy Act and proposed latte levy, for the following reasons:

The latte levy hurts business

- 1) 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 & those in the wider hospitality sector offering on-the-go beverages even further.
- 2) 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.
- 3) The additional labour required to fulfil washing requirements in a cafe/ hospitality environment would increase, where will this labour come from when we are already experiencing several of our customers and non-customers shortening their opening hours due to the labour challenges in the market.
- 4) 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.
- 5) 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 were one of the first in Ireland to introduce a 100% compostable cup & this move we believe will fundamentally undo all of the good behavior we have seen with customers moving to compostable or recyclable options over the past number of years.

The latte levy hurts consumers

- 1) 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. You only have to walk many of our streets to see councils with one litter waste option to dispose of all litter and not segregated options throughout the country. It is our view that waste collectors are not incentivised to treat recyclable or compostable waste and get greater incentives for dealing with general waste – this is not supportive of holistic approach to waste management and supporting the environment.
- 2) The levy will increase the cost of a daily coffee for customers by approximately 7%, notwithstanding the incoming VAT raise to 13.5%. We have already seen multiple price increases in the Irish market to consumers and we don't believe there is elasticity to support further increases without it impacting and resulting in a decline in coffee consumption and therefore a reduction in trade in an already challenging market.

BREWING EXPERTISE WITH PASSION

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The latte levy contradicts the principles of a circular economy

- 1) An uptick in reusable cups will increase the amount of plastic in circulation.
- 2) 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

- 1) 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.
 - I. 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.
 - II. Paper cups are ranked 47th on the official EU Marine Litter list (SUPD survey).
- 2) 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%.
 - I. 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?

- 1) 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. This move would continue to encourage the already good work done in consumers moving across and requesting such cups in the market.
- 2) 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.
- 3) 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.

In conclusion, we have concerns about the timing of the introduction of the levy – more time is needed for us to prepare for the 'go live' date and the introduction of this cost measure is not appropriate at a time of unprecedented increases in business costs and the cost of living for consumers. We are still very much in recovery from the impact of an unprecedented pandemic over the past 3 years as well the current headwinds mentioned above.

In addition, we feel there are further alternative policy measures to be considered before implementation of this policy and proceeding with this levy as currently presented.

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I reemphasise that we wholly support initiatives to support the environmental goals of our country, but we welcome you giving serious consideration to this submission in line with many others and address the shortfalls we believe remain within the current policy proposal before it is implemented.

Yours sincerely,

[REDACTED]

[REDACTED],
Managing Director
Java Republic.

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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.

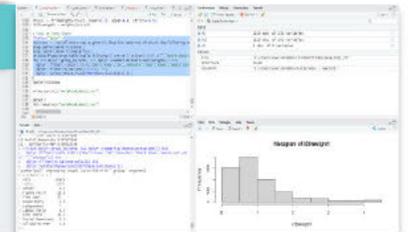
Note: Here we minimise social desirability bias and non-response bias.



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

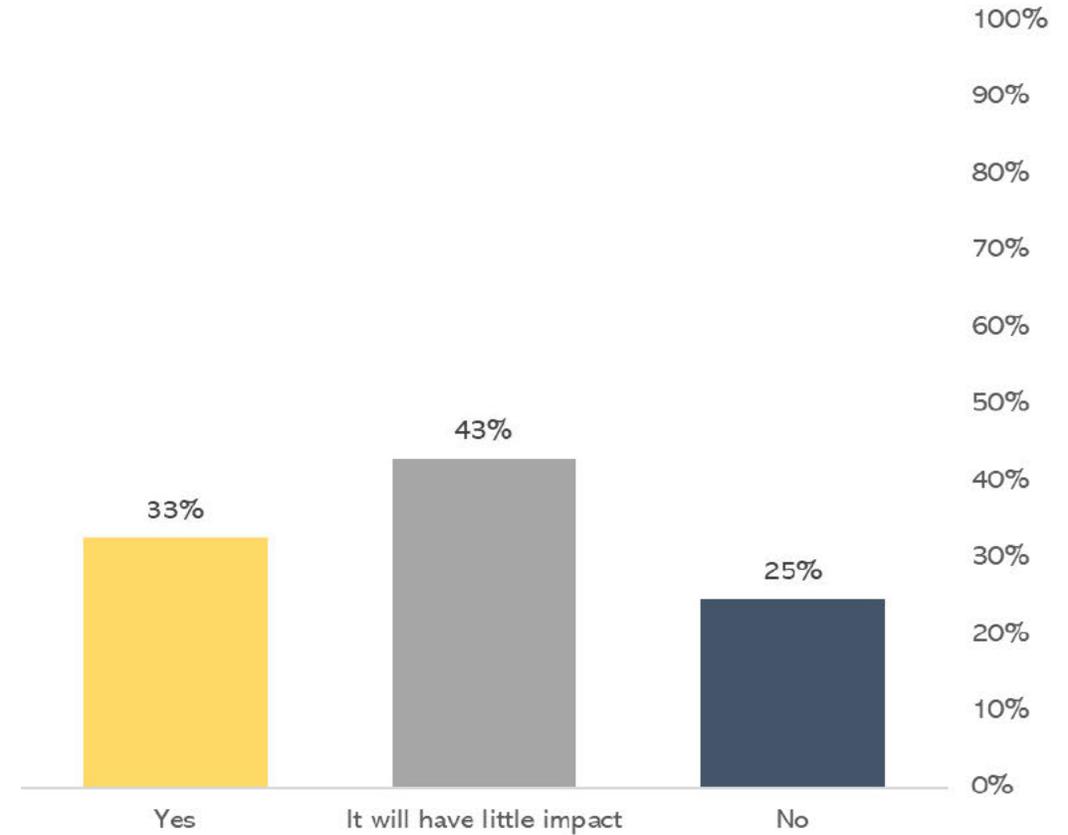
We get over 1,000 responses within 3 hours, rising thereafter. The respondents experience is central to ensuring that we have quality responses. The polls are short, enjoyable and participants are rewarded by selecting the charity that we will donate to and results are published in a national newspaper. 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.

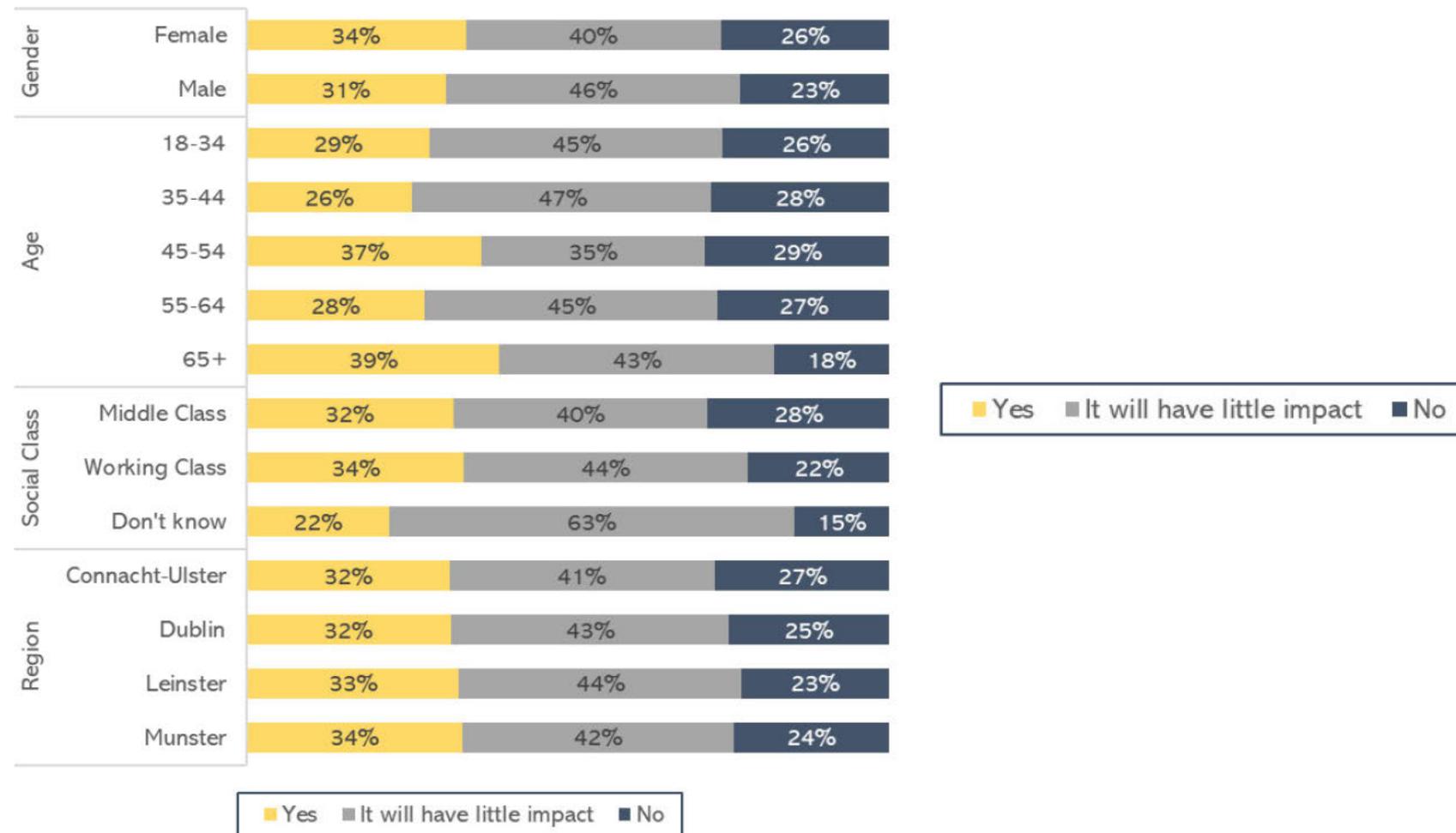


This poll was conducted on Friday 4th and Saturday the 5th of November.
The sample size was 1,002

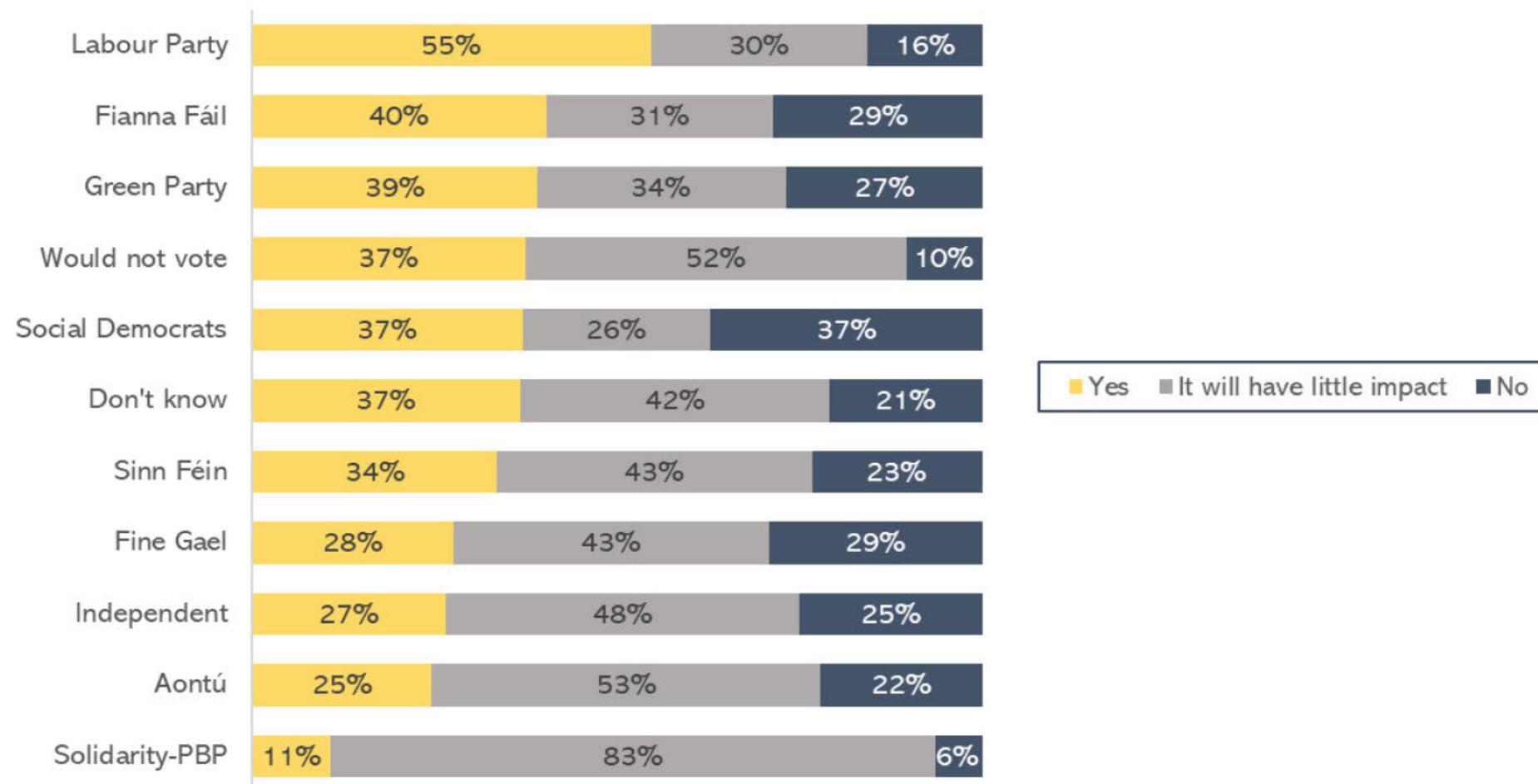
'If a 20 cent levy on paper cups is implemented will you spend less on takeaway teas and coffees?'



By demographics

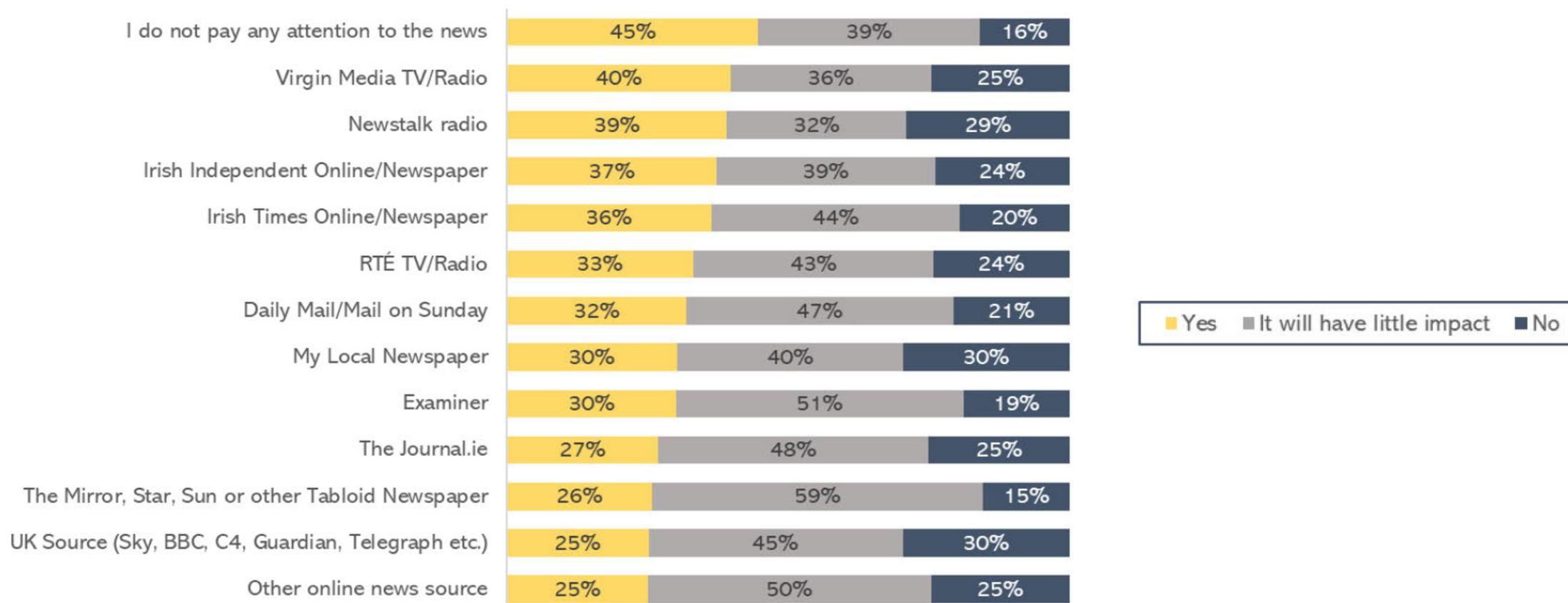


By current voting intentions

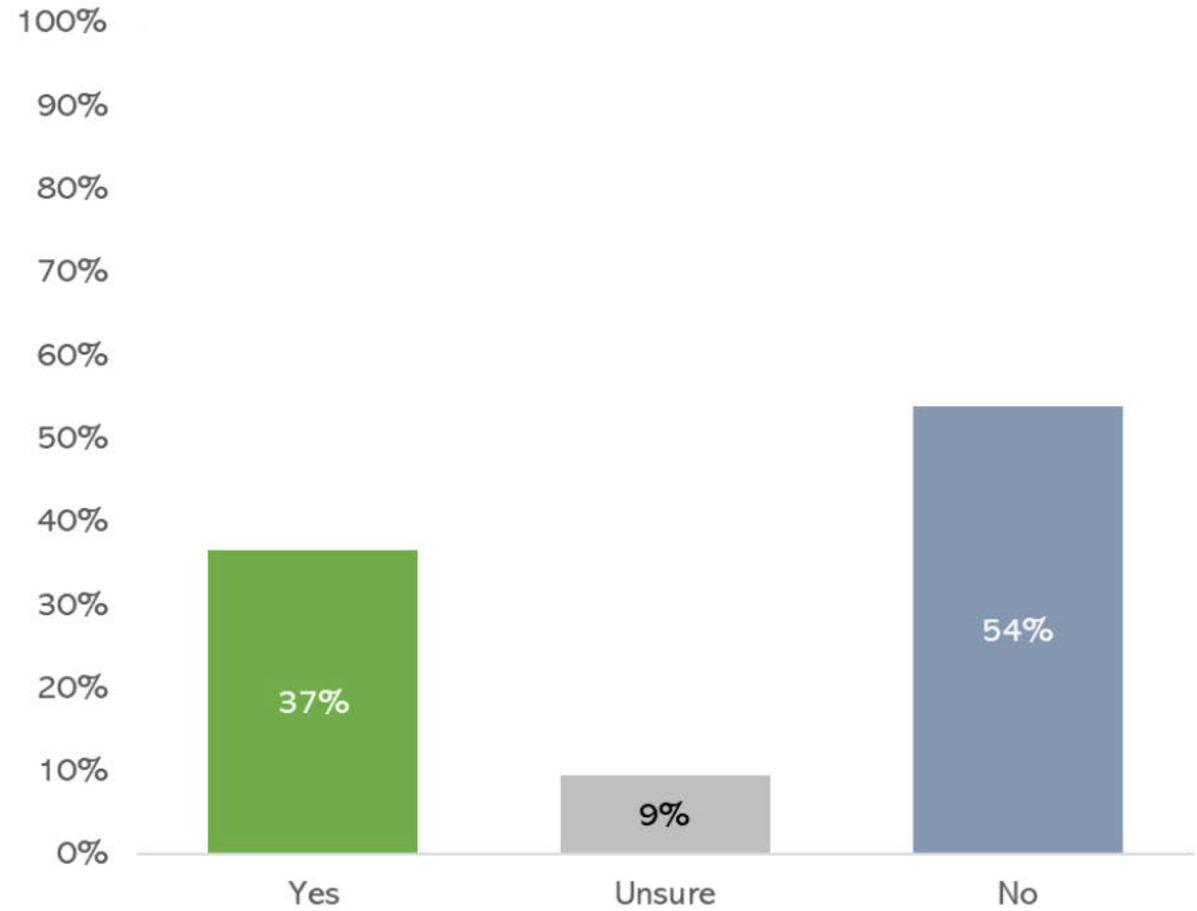


By news consumption

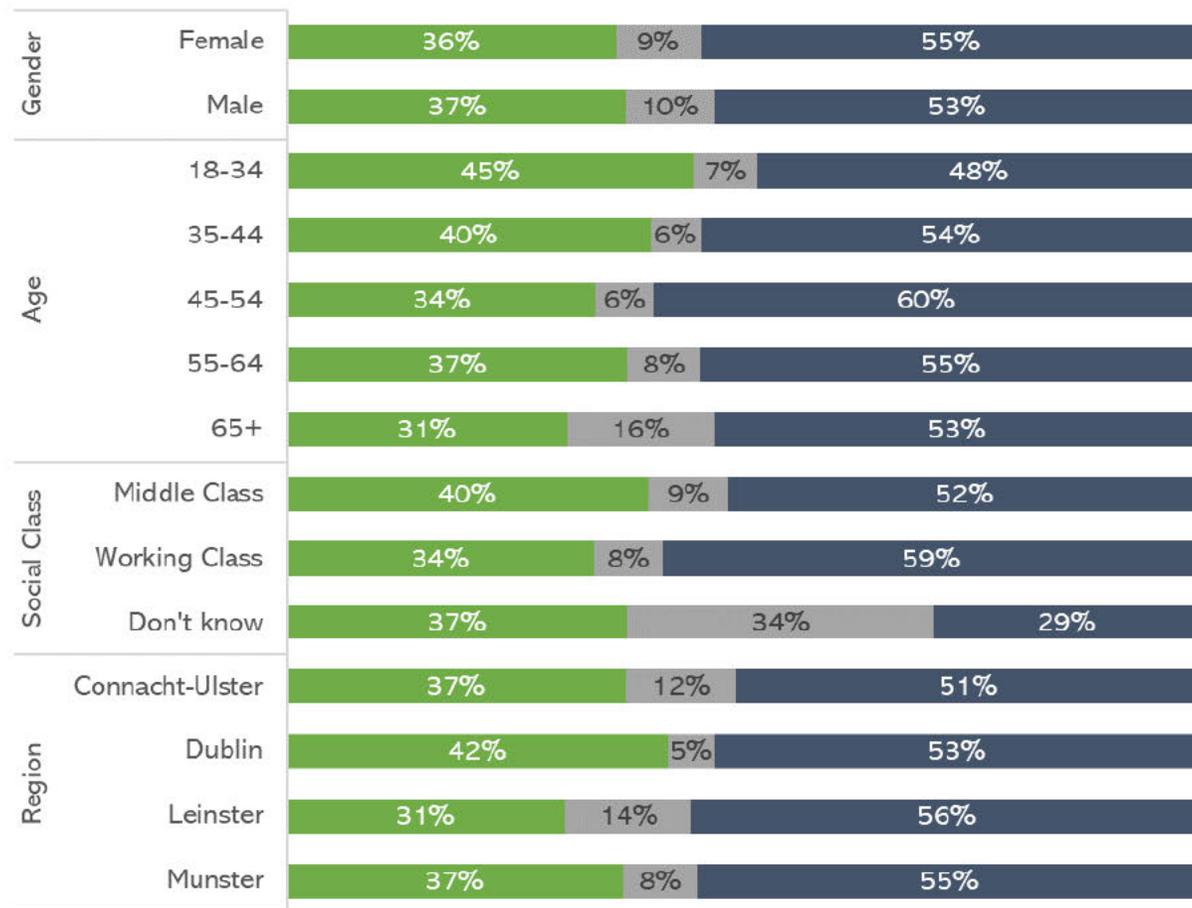
“Which of the following is your go-to for news? (select up to 3)”



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

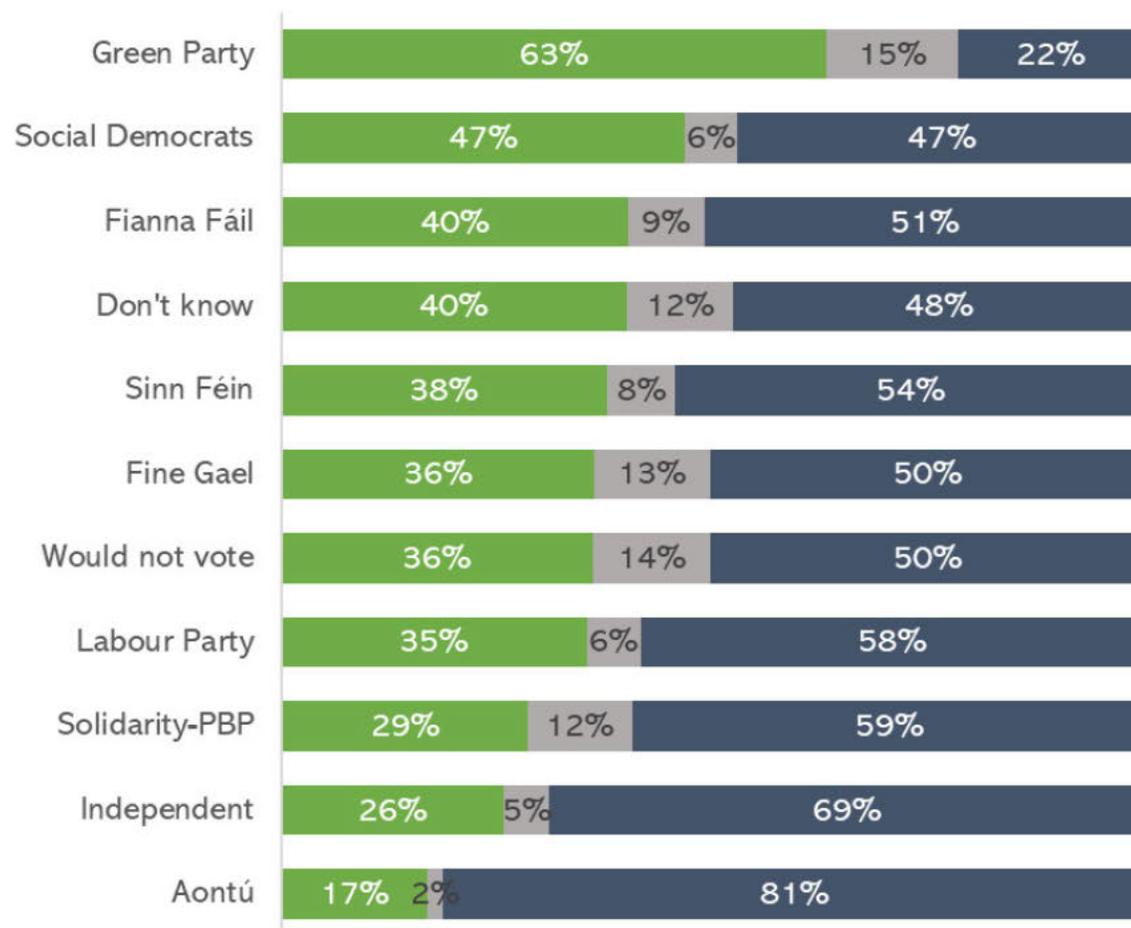


By demographics



■ Yes ■ Unsure ■ No

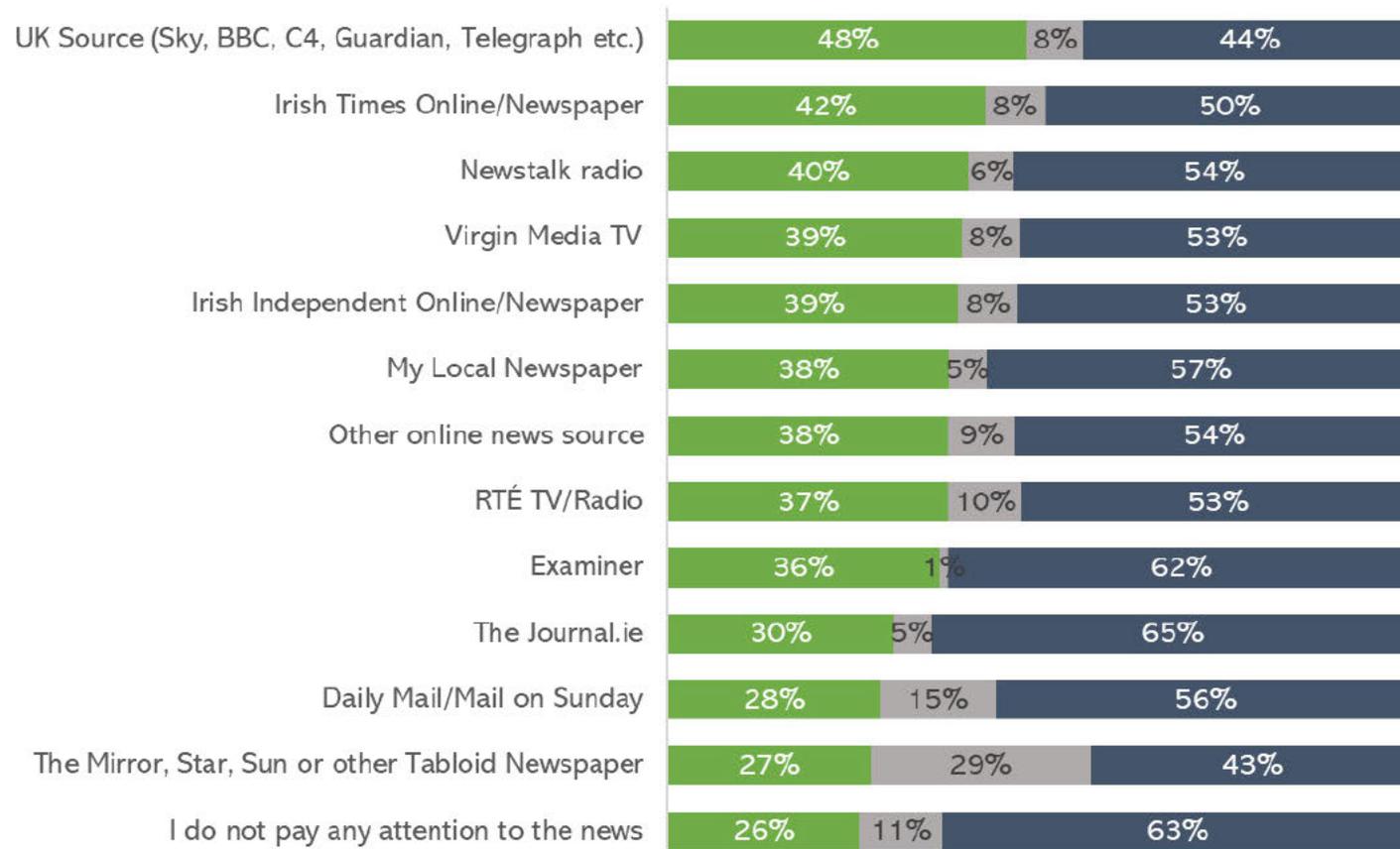
By current voting intentions



■ Yes ■ Unsure ■ No

By news consumption

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



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