

## **Opening Statement**

**To**

**Joint Oireachtas Committee on Communications, Climate Action and Environment**

**Detailed Scrutiny of Waste Reduction Bill 2017**

**By**

**Convenience Stores and Newsagents Association (CSNA)**

**January 2018**

The Convenience Stores and Newsagents Association welcomes the opportunity to attend the Committees' Detailed Scrutiny of the Waste Reduction Bill 2017. At the outset, we would have to express our view that this Bill, not having either a RIA or Cost Benefit Analysis is lacking in what is required for a **detailed** scrutiny. We are also concerned that this Bill maybe in contravention of European Union Rules on the Freedom of Movement of Goods and also in contravention of Article 18 of the Packaging Directive. We are also concerned that the Bill provides for, by way of regulations, Ministerial action, without any further Stakeholder involvement. CSNA does not consider that Bills discussed in a pre-legislative format should have amendments suggested to them that may materially alter the substance of the Bill without a requirement of re-engagement with Stakeholders.

We would like to discuss three elements pertaining to the Bill, that is, the banning of non-compositable tableware and the Deposit Return Scheme and also the possibility in lieu of a cup banning section, the introduction of an environmental levy regarding hot beverage containers the so called 'latte levy'. With regard to the proposed ban, CSNA will question whether or not such a ban would materially effect the levels of littering and if so how can the Committee ensure that there will be adequate compostable bin facilities placed throughout the Country. We are also aware that EU targets for recycling will not be improved from any home composting and would query how success will be measured. The very considerable changes in every workplace to accommodate separate bins for compostable beverage containers needs to be properly evaluated and costed. In many cases we are aware that the contents of bins within local authority collection areas are mixed with ordinary waste, thereby defeating the effort of the consumer. It is a rarity to find any level of separate bins for recycling waste in our cities or towns. Finally, the cost to industry of providing compostable tableware is currently six times higher than ordinary tableware. There are no guarantees that these costs would reduce solely on the basis of increased demand, leaving the retailer and/or the consumer with additional costs.

The Department have indicated that their preferred option instead of a ban on tableware would be the introduction of an Environmental Levy. We would like to make a number of observations in regard to this. Initial reports have suggested that such a levy would be based on a percentage of the retail value of the product. CSNA, whilst not advocating a levy would suggest in the interest of equity that a unit price be charged rather than a percentage. We would also suggest that there needs to be

very clear rules on applications and exceptions for this levy. We are also concerned that the levy may give rise to difficulties to retailers with regard to product contamination and their HACCP obligations.

We would also be concerned that the introduction of the levy unlike the very successful plastic bag levy could lead to significant additional costs for retailers. Machines may need recalibration, tills and back office systems will need to have additional product lines applied to accommodate a two-tier system and there would be significant additional training costs. If such a scheme is being considered and assuming Revenue are involved in devising rules for its implementation there would need to be, as a matter of urgency, detailed consultation to ensure that retailers are not negatively impacted in their businesses. One of the areas that CSNA would be most concerned about would be a lack of an even playing field if certain styles of beverage re sellers could avoid charging the levy.

With regard to the Deposit Return Scheme, CSNA does not believe that such a scheme is necessary given the very comprehensive existing shared responsibility scheme (Repak) that is in place throughout the Country. We would however ask the Committee to consider how such a deposit return scheme could be put in place that would not act as a barrier to small manufacturers and distributors getting into the marketplace. There are many styles of DRS; the type that would be put in place in Ireland may be for plastic bottles, plastic cartons, aluminium cans and glass bottles. If this is the case it will be important to ensure that it is not limited to retailers but also captures hotels, bars and restaurants. We make reference to this as there is always a possibility that partial systems can lead to returns being made for products for which no deposit has been charged. Similarly, CSNA would be most concerned that products purchased outside of the State maybe subject of reclaim for unpaid deposits. If a DRS was in place it would need to be sufficiently robust to ensure that any retailer was not paying out more than that deposit taken in by them. If a retailer was the nearest store to a sports gathering or music festival the prospect of enterprising groups returning thousands of bottles to a store from which very few deposits had been taken demonstrates the importance of adequate responsible controls. If the module is being designed to be Revenue neutral at a macro level sufficient consideration must be applied to ensure that on a micro level individual retailers are rewarded not penalised for their involvement in the scheme. CSNA has investigated reverse vending machines and considers that they can have a role to play in a DRS but only if access to them is made possible through grants or similar arrangements. For small retailers, the prospect of a DRS throws up concerns regarding potential sales migration to larger outlets. If there are to be reverse vending machines in publicly funded recycling facilities it must be understood that any vouchers printed from those machines could be used as an economic instrument in all participating stores. The cost to retailers of a DRS, will be determined significantly by the model selected. Retailers labour costs, even at National minimum wage rates equate to 17c per minute. This Committee needs to be cognisant that any scheme that ties up our members time needs to be adequately compensated. We would suggest that retailers would need to have a reasonable handling fee tied to CPI to ensure that their labours are rewarded fairly.

Finally, the majority of our members meet their existing packaging obligations through membership of Repak. We don't believe that we should be subjected to what may be considered double taxation were we to be obligated to maintain our Repak membership and incur additional packaging costs for what are the same products. It would be our concern if the implementation of a DRS led to a reduced income scheme for commercial operators, such a reduction could lead to increased Repak

fees for members. I welcome your questions and once again thank the Committee for extending this invitation.