

Proposals for a charge on single use carrier bags in Northern Ireland

October 2011

Introduction

The Northern Ireland Independent Retail Trade Association has over 1300 members from the independent retail ¹sector in Northern Ireland who generate in excess of £3 billion turnover every year and employ over 30,000 staff.

NIIRTA welcomes the opportunity to contribute to this review as it will have a direct impact on the majority of its members, and consequently suppliers and those employed. Northern Ireland is a small business economy with 98% of all business classified as 'small'. The independent retail sector is the biggest sub-sector of that economy and plays a crucial role as the backbone of the private sector.

Response to Questions

1. What are your views on the Department's proposals?

In its previous response to the Northern Ireland Executive's budget plans, NIIRTA welcomed the fact that it had recognised the value of the independent retail sector to the local economy. However it must ensure that its decisions are consistent with its declared goals and objectives.

NIIRTA understands that the Executive faces many challenges – both in terms of meeting its environmental obligations and generating the necessary levels of revenue to match its spending plans. However, when all factors are taken into consideration it is the view of NIIRTA that the proposed legislation will actually be detrimental to the environment, will add a further cost onto already hard pressed consumers and will add considerably to the red tape burden on businesses.

When the announcement was made, the initial comment was made;

“NIIRTA supports measures to reduce plastic bag use but the proposed levy seems to be poorly thought through. It's unclear if it is intended to discourage plastic bag use or if it is a revenue raiser. It has to do one or the other – it can't do both.”

¹ www.niirta.com

“The Department of the Environment has had £4m per year deducted from its budget to fund the Green New Deal, and it is proposed the levy will raise enough money to replace it. It appears, therefore, that the levy is intended to be a revenue raiser. Using the levy in this way will send a confusing message to the public. So, essentially, the public is being asked to buy plastic bags, thereby generating waste, in order to tackle waste.”

“We have real concerns that this levy, far from protecting the environment, will actually cause it greater harm as proven in the Republic where more consumers are buying black plastic bin liners (which take 1000 year to biodegrade on landfill) because single use bag usage has dropped”

“It will also put retailers in the position as unofficial tax collectors adding to their operating costs and an already growing red tape burden”

“A new strategy should be developed by the DOE, working with retailers, environmental groups and packaging companies, which builds upon the voluntary approach of educating customers and avoiding more plastic bags going to landfill”.

WRAP FIGURES²

Recently, the clearest illustration of the successful reduction in bag usage was published by the WRAP organisation, and it is worthwhile reprinting their analysis here as part of our argument against the new proposals.

On 27th July, WRAP produced data which showed a total of 6.4 billion single-use bags were used by supermarket customers across the UK in 2010, which is compared to 10.7 billion single-use bags being used in 2006 when figures were first recorded. This equates to an overall reduction of 40%.

WRAP reported this showed on average people now use 8.6 single-use bags per month, compared to 14.7 bags per month back in 2006 and 8.2 bags per month between June 2009 and May 2010.

Most importantly, across the nations of the UK, Northern Ireland recorded the lowest bag use per person. This is particularly encouraging and again indicates that the voluntary approach IS working and there absolutely no need for the harsh measures being proposed in this consultation. Indeed NIIRTA contends that it will actually have a net negative effect.

² Established as a not-for-profit company in 2000, WRAP is backed by government funding from England, Scotland, Wales and Northern Ireland. WRAP’s vision is a world without waste, where resources are used sustainably. We work with businesses and individuals to help them reap the benefits of reducing waste, develop sustainable products and use resources in an efficient way. WRAP’s role has been to monitor the progress of the agreement through data collection and analysis, and to report carrier bag use across the sector as a whole.

1. Annual figures for total bag use for 2006, 2009/10 and 2010

	2006 (baseline)	June 2009 - May 2010	January - December 2010	Number and % change from 2006 - 2010	Number and % change from 2009/10 - 2010
UK	10.9 billion	6.5 billion	6.8 billion	4.1 billion (-37%)	0.3 billion (6%)

2. Annual figures for single-bag use bags for 2006, 2009/2010 and 2010

	2006 (baseline) (millions)	June 2009 - May 2010 (millions)	January - December 2010 (millions)	Number and % change from 2006 - 2010	Number and % change from 2009/10 - 2010
UK	10,690	6,113	6,446	4,244 million (-40%)	333 million (5%)
*England	Not measured	5,025	5,360	n/a	335 million (7%)
*Scotland	Not measured	540	590	n/a	50 million (9%)
*Wales	Not measured	353	329	n/a	-25 million (-7%)
*N Ireland	Not measured	189	163	n/a	-26 million (-14%)

3. Figures for average monthly single-use bag use per person

	2006 (baseline)	June 2009 – May 2010	January – December 2010
UK	14.7	8.2	8.6
England	Not measured	8.1	8.6
Scotland	Not measured	8.7	9.4
Wales	Not measured	9.8	9.1
N Ireland	Not measured	8.8	7.5

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The Voluntary Approach

³ Figures reproduced with the permission of WRAP

NIIRTA are signatories to a Joint Statement on Reducing the Environmental Impact of Carrier Bags, which encompasses a broad range of those in the UK retail sector who have agreed to take action and set itself a shared objective with the government and WRAP to reduce the environmental impact of carrier bags by;

- reducing the environmental impact of each individual carrier bag
- encouraging customers to significantly reduce the number of carrier bags they use
- enabling the recycling of more carrier bags where appropriate

In becoming a signatory to this statement, NIIRTA agreed:

- to work jointly with government and WRAP (the Waste and Resources Action Programme) to monitor the environmental impact of carrier bags and to agree a baseline figure from which to measure reduction
- to work with the above parties to reduce the overall environmental impact by 25% by the end of 2008
- to review experiences by the end of 2008 in order to determine what would be required in order to make a further reduction by 2010

This voluntary approach encouraged businesses to meet their environmental responsibilities whilst operating in the most efficient fashion and NIIRTA believes that through positive action such as this, the problems associated with bags can be dealt with, without need for statutory legislation and further costs being placed upon both businesses and consumers.

2. What do you think is an appropriate minimum charge for single use carrier bags – and why?

NIIRTA does not believe there is an appropriate minimum charge for single use carrier bags. Whilst the individual figure being suggested may be considered low, it is yet another cost which will be added onto shopping bills in many cases, and in an economic environment where food costs in many cases have already increased on a double-digit basis, any additional cost will make a difference.

If it is decided to proceed with this measure, NIIRTA would simply state that the charge is made as low as possible.

3. Are there any types of carrier bags which should be exempt from the charge? If so, on what grounds?

Based on the definitions operated in the Republic of Ireland when a plastic bag levy was introduced in March 2002, officially designated as an 'Environmental Levy' and applied to

the supply of plastic shopping bags by retailers, it was designated that the levy would not apply to:

Small bags (recognised as one smaller than 225mm wide, 345mm deep, and 450mm long including handles) used solely to contain many products such as:

- Fresh fish and fresh fish products
- Fresh meat and fresh meat products
- Fresh poultry and fresh poultry products
- Small bags used solely to contain unpackaged: *Fruit, nuts, or vegetables, Confectionery, Dairy products Cooked food, whether cold or hot, and Ice*

NIIRTA is concerned that the increase in use of paper bags and bin liners actually cancelled out any benefits of reduced plastic bag use, and therefore may reverse much of the success achieved to date through the voluntary measures. It is recognised that contrary to public perception, paper bags are the least environmentally friendly option. This was due to the greater amount of resources, such as materials and fuels for transport (from greater weight per bag) that they require.

Wales

The independent retail sector in Wales adopted a negative position in regard to the introduction of a similar tax in 2009⁴ - with the Association of Convenience Stores highlighting '*the negative impact on impulse purchasing, an increase in shop theft and high administration costs*'.

NIIRTA has been monitoring the ongoing progress of legislation in Wales in relation to this issue, in particular the responses collated⁵. SME respondents have called for a 'small business exemption' and it remains to be seen if this will be considered⁶.

4. Do you think that multiple use carrier bags should be included in any levy?

No. The whole emphasis has been upon encouraging greater uptake of multiple use bags, particularly the bag for life concept. Whilst some are charged for, many are distributed free of charge, often with particular brands associated with them i.e. football clubs, clothing stores, bands etc, to encourage young people to make of them.

Adding a further levy on these will simply reduce their attractiveness to many and defeat the purpose of trying to convert many from the single use bags to multiples.

⁴ <http://www.talkingretail.com/news/independent-news/convenience-retailers-oppose-welsh-carrier-bag-tax>

⁵ <http://wales.gov.uk/docs/desh/consultation/101022wastecarriersummaryen.pdf>

⁶ <http://wales.gov.uk/docs/desh/consultation/091111carrierbagresponsesen.pdf>

Once again, NIIRTA is concerned that this measure may result in unintended negative consequences for the strategy of reducing overall bag usage.

5. What information should sellers have to keep in relation to the carrier bag charge?

Quite simply, the required information that retailers must keep should be absolutely minimal, if at all - record total number of bag boxes, record number distributed and figure for funds raised.

6. Should sellers have to publish their records?

If the charging for bags does come into force, there is no substantive reason why sellers should have to publish records; it is merely a distraction from the running of their business (challenging enough in current circumstances) and again merely indicates a lack of understanding on the routines and pressures faced by businesses, especially small and micro, that such largely irrelevant information should be considered for publishing.

7. Have you any views on which organisation should administer the carrier bag charging scheme in Northern Ireland?

The administrative system must be as minimal as possible to avoid burdening small businesses with further red tape and form filling. A simplified form of recording number of boxes received, numbers of complete box in stock and total monies received should be recorded. It is simply not feasible to ask someone to actually record each time they give a bag out, or actually count loose bag numbers. This is taking administration to the extreme and will generate only further dismay amongst businesses of the regulation culture of local government.

8. Have you any views on the required arrangements to enforce the carrier bag charging scheme in Northern Ireland?

Similar to administrative requests, it must not be the case that shopkeepers and small business owners are subjected to further inspections and random visits from officials from whatever department or agency is chosen to administer this system. Too often such visits cause extreme disruption to those running their businesses and it should be remembered that for the very reason that owners often cannot allow staff to leave for training programmes etc, they cannot afford to lose precious time for additional, unnecessary processes.

9. Have you any comments on the Department's preliminary conclusions in relation to Equality screening, human rights or rural proofing?

None

Conclusions

NIIRTA members are amongst the most innovative in the small business sector, particularly in the area of environmental solutions. Therefore the Executive should and must work closely as it seeks to take this issue forward.

The current voluntary approach is proven to work and has the support of most political representatives. They understand that the key to success is to educate customers to behave more responsibly rather than impose what is a further tax measure.

Ultimately it will be the consumer who will bear the cost of this proposal. Given the VAT and fuel rises recently, such an additional cost could not come at a worse time for many families, particularly those on low incomes.

In contrast, as part of a new coalition of Northern Ireland's leading business organisations, NIIRTA has participated in constructing a 'Jobs Plan' designed to reinvigorate the local economy. Underpinning this work, the Executive must ensure that it does not introduce measures which damage business confidence.

The introduction of environmentally friendly and business friendly legislation does not need to be mutually exclusive. However, it must also be recognised that businesses cannot go on having more and more placed upon them.

Fiona Moriarty, director of the Scottish Retail Consortium (SRC), believes that the experience in the Republic of Ireland has demonstrated that a tax on plastic bags has unintended consequences.

"Consumer demand for paper bags in high street stores has led to severe environmental costs in terms of transport and fuel usage as they take up ten times the storage volume of plastic bags. A major retailer in Eire reported an increase in sales of plastic bin liners of 70 per cent and others reported increases of 20 per cent in sales of black bin bags, as plastic bags were less readily available for re-use".

The announcement of a 13% reduction in the number of carrier bags issued in Northern Ireland through the UK Voluntary Carrier Bag Agreement, and welcomed⁷ by Minister Attwood, should have been taken as a clear indicator of where 'something isn't broke, it doesn't need fixed'. Progress is being made and this should be supported, not superseded.

The Minister was quoted as saying *"I fully acknowledge and welcome the success of voluntary efforts in reducing the number of bags in circulation. In Northern Ireland, even with a sales growth since 2006 of more than 4 times the UK average, the number of bags handed out by major supermarkets in 2010 fell by 13.8% from the previous year. This equates to 26 million fewer bags in circulation."*

⁷ 28 July 2011

We strongly disagree that on the back of this success it is necessary to introduce new charges and legislation in order to maintain this momentum, and guard against complacency as he suggested.

The reality is this measure is merely seeking to replace funds lost after the Department of Environment's budget was cut by £4million to fund the Green New Deal earlier this year, and while NIIRTA strongly supports the aims of the GND, it is not helpful that DOE is penalising businesses and consumers to maintain its own funding levels.

We have real concerns that this levy, far from protecting the environment, will actually cause it greater harm as proven in the Republic where more consumers are buying black plastic bin liners - which take 1000 years to biodegrade in landfill - because single use bag usage has dropped.

NIIRTA has clearly demonstrated the folly of the proposals being made and would urge the Department to reconsider their approach, work with retailers, environmental groups and packaging companies, and develop a new approach based on voluntary action and putting both businesses and consumers first, and which builds upon the voluntary approach of educating customers and avoiding more plastic bags going to landfill.

**Glyn Roberts
Chief Executive**