

# Plastic Bags

## The Irish Experience

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Comhshaol, Pobal agus Rialtas Áitiúil  
Environment, Community and Local Government



# Background to plastic bag initiative

- Plastic bag levy – introduced primarily as **anti-litter** initiative
- In the 90's plastic bags constituted significant litter problem -, accounted for **5%** of our litter, highly visible impact.
- Countering Ireland's image as clean & green.
- New Government in 1997 - commitment to examine means of discouraging use of plastic bags



# Consultancy Study

1998 - Consultancy study commissioned

“to identify and assess possible fiscal, regulatory or other measures that might be undertaken to minimise the use and environmental impact of plastic bags”.



# Consultancy Study

## January 1999 – Consultancy Findings:

- **1.26 billion** plastic bags dispensed free of charge at retail outlets per year
- **328** per inhabitant per year



# Consultancy Study

- Sources of plastic bags
  - domestic producers (**20%**)
  - imported (**80%**) (**55%** EU; **25%** Third Countries)
- Employment by home producers – circa **200**
- **82%** of plastic bags consumed in grocery sector



# Public Consultation Outcome

- Consultants recommended minimum **4 cent** levy to be effective
- Consultants did not recommend whether **'supply side'** or **'point of sale'** levy would be most effective
- Public consultation process undertaken late 1999
- Very strong public support for levy
- Principle opposition from plastic industry, packaging importers/distributors, sections of retail sector



# Challenges post consultancy

- Initial preference was for a **supply-side** levy
  - considered simplest and more cost-efficient option;
  - difficulties subsequently encountered with relevant stakeholders re implementation and enforcement mechanisms of supply-side levy;
- Further reflection on levy amount - **15 cent** more effective
- Government approval obtained March 2001 for **point of sale** levy to be applied on customers by retailers (circa **30,000**)



# Challenges post consultancy

- Producers/importers/distributors opposed
- Retailers – supportive; worries about customer refusal to pay
- Consumers – supportive; concerns re. effects on low-incomes
- New legislation passed in 2001 and special Environment Fund established





# Environment Fund

- Proceeds of the plastic bag levy and the landfill levy are paid into the Environment Fund
- Expenditure can only be for environmental purposes as set out in the legislation
- Fund is controlled by the Environment Minister – **not** the Exchequer



# Reasons for setting up Environment Fund

- Fund proceeds are levies – not taxes
- Fundamental difference between taxes and levies - purpose of levies is not to generate revenue but to change consumer behaviour
- Declining receipts are an indication of success, not failure
- When seeking EU approval Commission was informed that plastic bag receipts were to be used for environmental purposes
- Best way to ensure this was by ring-fencing Fund
- New legislation passed in 2001 and special Environment Fund established



# Legislation

- New Primary Legislation

- Waste Management (Amendment) Act 2001 provided for –
- Plastic bag defined as “a bag –
  - (i) made wholly or in part of plastic, and
  - (ii) which is suitable for use by a customer at the point of sale in a supermarket, service station or other sales outlet, other than a class of bag exempted in regulations.”

## Exemptions from levy

in-store bags used to hold meat, poultry, fish

in-store bags used to hold fresh fruit and vegetables

long-life reusable bags sold for not less than 70 cent

- New Regulations –

amount of original levy – **15 cent** per bag March 2002

Increased to **22 cent** in July 2007



# Implementation and enforcement

- Pre commencement:
  - Service level agreement with Revenue Commissioners
  - Extensive multi-media public information campaign
- Clear distinction between enforcement and collection –
  - Local authorities – responsible for enforcing application of levy at point of sale (spot-checks)
  - Revenue Commissioners responsible for collection of levy due from retailers



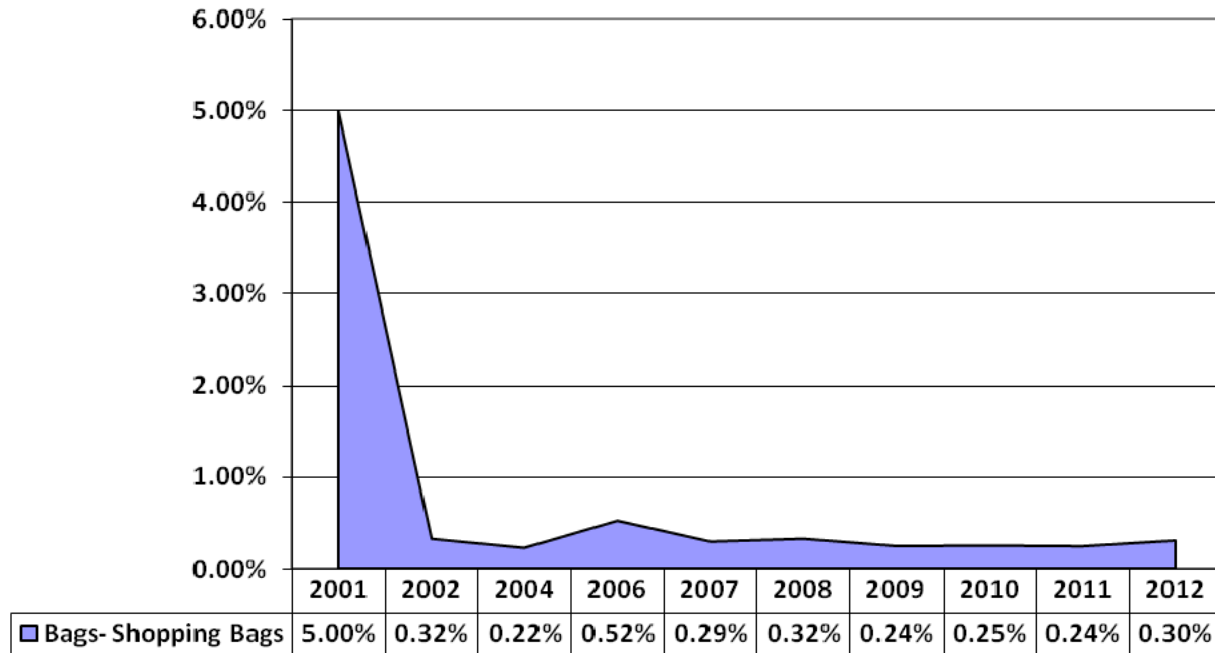
# Impact

- **Dramatic change in consumer behaviour - change to using reusable bags**
- **Immediate > 90%** reduction in plastic bag consumption
- Pre levy consumption – **328** bags/inhabitant/year
- Post levy consumption – **21** bags/inhabitant/year
- Pre levy increase 2007 – **33** bags/inhabitant/year
- Post levy increase 2007– **26** bags/inhabitant/year
- Usage in 2010 – **18** bags/inhabitant/year
- Usage in 2012 - **14** bags/inhabitant/year

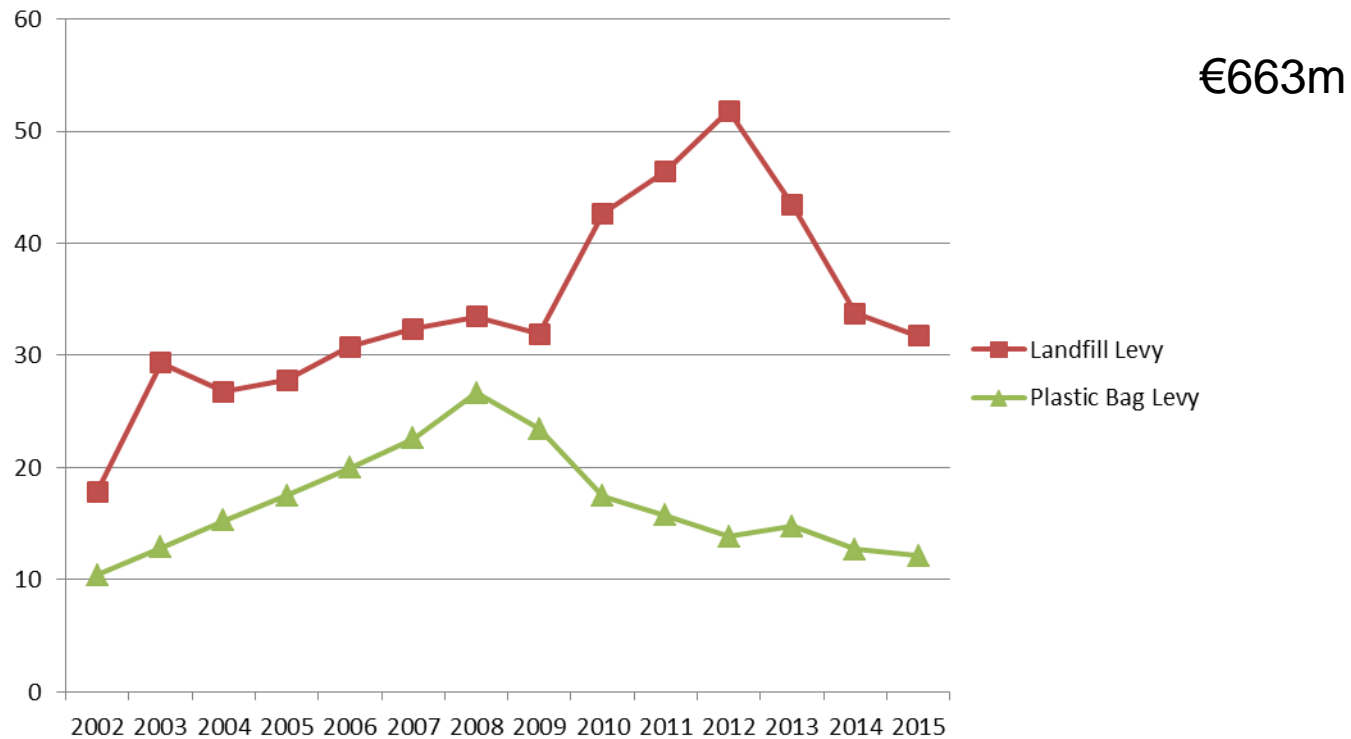


# Effect on Litter

**Plastic Bags as a % of National Litter Composition**

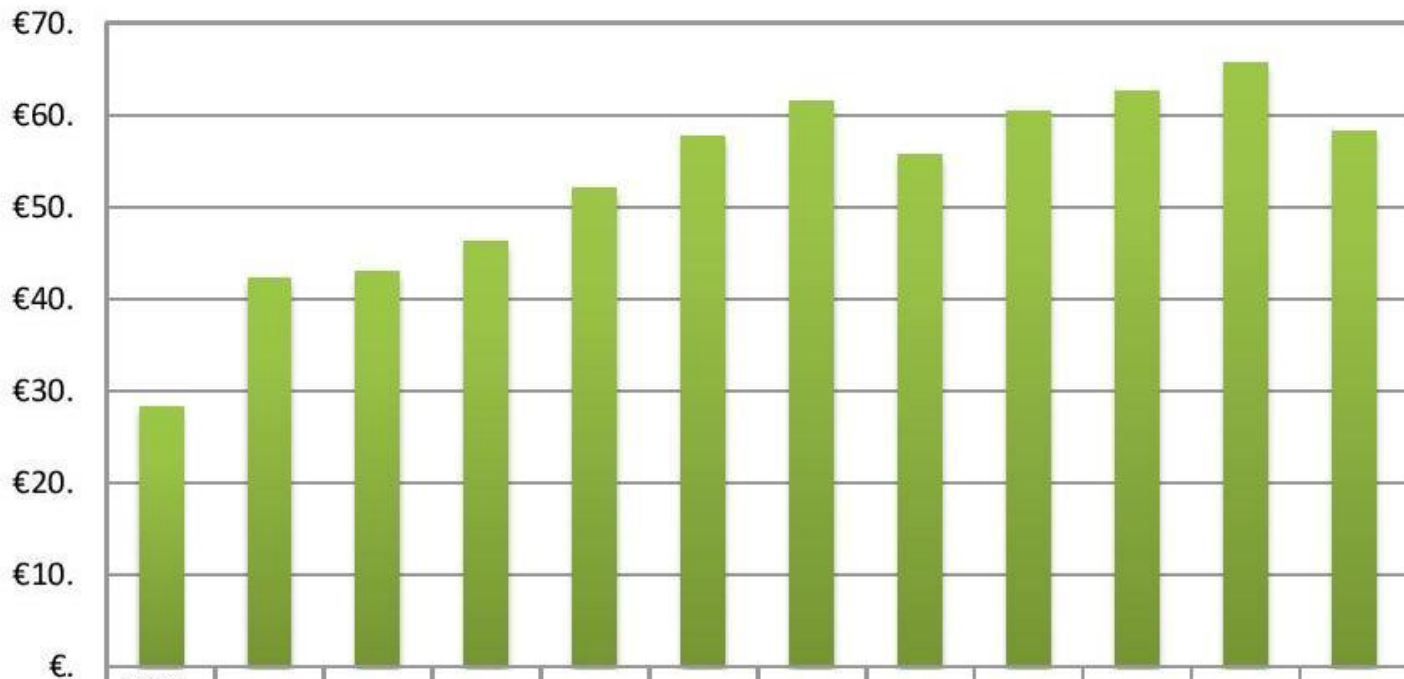


# Environment Levy



# Environment Levy

## Environment Fund Revenue 2001 - 2013



■ million €	€28.3	€42.3	€42.9	€46.2	€52.1	€57.7	€61.4	€55.8	€60.4	€62.6	€65.7	€58.2
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# Recent changes to legislation

- increase was limited to change in the Consumer Price Index (CPI);
- Ineffective in a time of low inflation;
- Amended by Environment (Miscellaneous Provisions) Act 2011 - now inflation plus 10%
- However no plans to increase the levy at this time.



# Public Acceptance

- National survey on the Environment "Attitudes and Actions 2003"
  - - **91%** in favour –
      - better for the environment,
      - there are no plastic bags visible in the streets, and
      - re-usable bags are more convenient for holding shopping
    - **6%** against –
      - missed having plastic bags about the house, and
      - were frustrated when they forgot to bring-reusable bags into the shop
    - **3%** no opinion
- **The most popular tax in the world?**



# Administration

- Levies are –
  - Itemised on till receipts
  - Collected by Revenue Commissioners
    - Service level agreement in place
    - Robust collection systems
    - Web based quarterly returns
    - High level of compliance
    - Revenue are reimbursed on basis of actual costs incurred
    - Revenue transfer proceeds back to Environment Dept for Environment Fund



# Conclusion

– Irish producers & public have shown great flexibility by providing & using reusable “long life” shopping bags

- » **90%** of shoppers use reusable/long life bags
- » **6%** use cardboard boxes
- » **4%** plastic bags and
- » **1%** other means



# Conclusion – The key to success

- Simplicity – easy to enforce; easy to administer.
- Easily available substitute – reusable bags
- Ring-fencing of proceeds has assisted in public acceptance of measure
- Advance consultation with stakeholders and arrangements were critical in winning support



# Future Challenges

- Can we improve our performance (EU Threshold Values)?
- Can we use the same approach for other marine litter items (polystyrene, single use drink containers, cotton bud sticks)?
- Chewing gum?
- Dog food?
- Junk mail?

