

27 January 2010.

Mr. Tony Lowes.

RE: REP49/JG/10

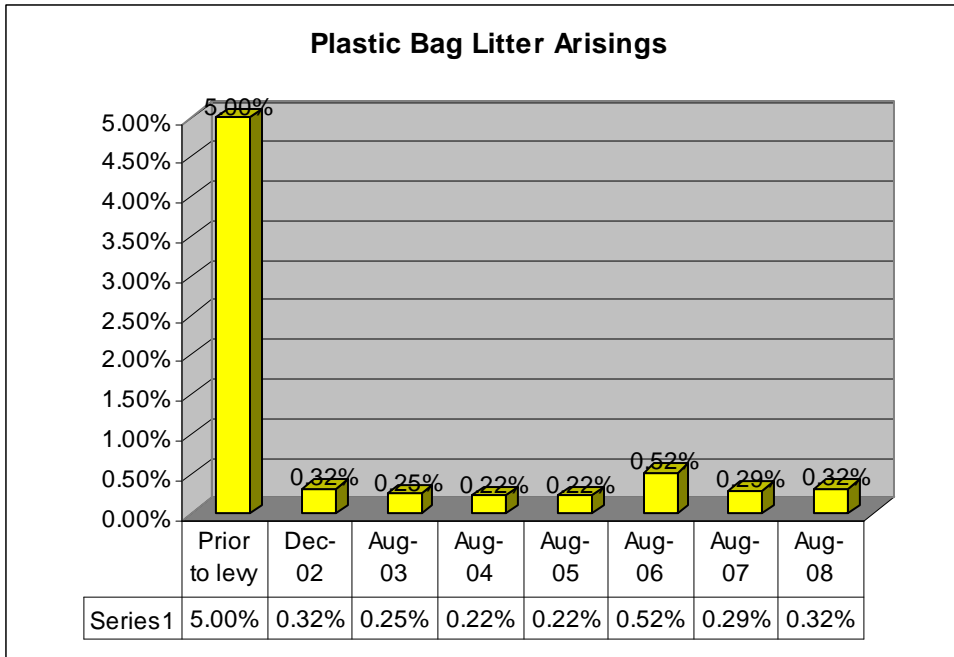
Dear Mr. Lowes,

I have been asked by Mr. John Gormley, T.D., Minister for the Environment, Heritage and Local Government to respond to your recent email and letter from Ms. Caroline Lewis in connection with plastic bag levy - extension to paper carrier bags.

Thank you for providing the Minister with a copy of the Environment Group Research Report Proposed Plastic Bag Levy – Extended Impact Assessment 2005/06.

The primary purpose of the Plastic Bag Levy is that it is a litter control measure rather than a measure to discourage plastic waste going to landfill (such as the €20 a metric tonne Landfill Levy which is intended to act as a disincentive in placing waste, particularly recyclates and compostable material into landfill). It was for this reason that biodegradable disposable shopping bags (for example paper bags) were not levied.

Prior to the introduction of the levy in 2002 an estimated 1.2 billion plastic bags were given away free by retailers annually and the average number of plastic bags used per person was estimated at 328 bags. There was an immediate decrease to a figure of 21 bags per person when the levy was introduced. Furthermore plastic bags had previously (pre 2002) accounted for 5% of our litter arisings. There was an immediate reduction in plastic bag litter – see chart below.



Since 2002, there had been a significant increase in both the value and volume of goods being sold and it was estimated that the usage of plastic bags increased to 30 bags per person during the course of 2006. For instance, the seasonally adjusted volume of goods sold in July 2007 (the time of the levy increase) was 22.7% higher than in 2002. By July 2008, this had increased to 33% over 2002 estimates.

We were anxious to ensure that the levy's positive effect on our environment was maintained and that the increased level of litter activity be reversed. To that end it was decided to increase the levy from 15c to 22c with effect from 1 July 2007 in order to reduce the per-capita usage of plastic bags to a level comparable to that achieved when the levy was first introduced. The full year's receipts at the higher rate indicate that per-capita usage has been reduced to 26 bags per person. Furthermore, Ireland's National Litter Monitoring Body has reported that plastic bags accounted for 0.29% of litter arisings in 2007 compared to 0.52% in 2006.

The existing legislation is too limited to allow the levy to perform as a fully effective economic instrument. A Regulatory Impact Analysis was carried out during 2009 in respect of proposed legislation. It is clear that greater flexibility is required. Legislation is to be brought forward to provide for this required flexibility. This legislation will allow for an increase, which will take into account both the consumer price index plus an additional amount (yet to be decided). Trends in plastic bag usage and the proportion of plastic bags as a percentage of overall litter will be monitored on an on-going basis to ensure that the levy continues to be set at an appropriate level.

You might also wish to note that under the provisions of Directive 94/62/EC of the European Parliament and of the Council on packaging and packaging waste, producers have discretion to use any form of packaging in association with their products, provided that it complies with the essential requirements on the composition and the reusable and recoverable nature of packaging as set out in Annex II of the Directive. The essential requirements of packaging are transposed into national law under the combined provisions

of article 28 and the Fourth Schedule of the *Waste Management (Packaging) Regulations 2007* which provides that a person may not supply packaging or packaged products to the Irish market unless the packaging concerned complies with essential requirements as to its nature and composition.

Effectively, there is a legal requirement that all packaging, including all plastic packaging, be designed, produced and placed on the market in such a way as to permit its reuse or recovery, including its recycling or composting. Under article 18 of the Directive, Member States of the European Union are prohibited from impeding the placing on the market of packaging which satisfies these essential requirements. In effect, Member States may not introduce any measures which would have the effect of conferring a market advantage on one particular type of packaging over another. Harmonised (CEN) standards have been produced and adopted by the European Union to assess the conformity of packaging with these essential requirements - producers may use one or more of these CEN standards to demonstrate compliance in this regard.

We fully recognise that despite progress on recycling that we need to continue to improve our performance. The comprehensive review of waste management policy, which we initiated in July 2008, reached a major milestone with the recent delivery by consultants of a major international report on waste management policy. The department is currently examining this report and its recommendations which will be central to informing what further measures may be necessary to underpin sustainable waste management services. As part of the review process, the inter-related issues of enhances producer responsibility (including the broadening of producer responsibility to a wider range of products) together with the increased use of economic instruments on specified materials are under examination.

Yours sincerely,

Eddie Kiernan,
Private Secretary