



15 August 2013

Northern Ireland Assembly
Committee for the Environment
Room 247, Parliament Buildings
Stormont Estate
BELFAST BT4 3XX

Aodhán Connolly
Director of the Northern Ireland Retail Consortium
DIRECT LINE: 07880 039 744
EMAIL: Aodhan.Connolly@brc.org.uk

Email: committee.environment@niassembly.gov.uk

Dear Committee Member

Carrier Bag Bill – Evidence from the Northern Ireland Retail Consortium

The Northern Ireland Retail Consortium (NIRC) is the trade association of the Northern Ireland multiple retail sector and is their authoritative voice to policy makers and to the media. We bring together a range of retailers across Northern Ireland, selling a wide selection of products through high street, out of town, neighbourhood, rural and online stores.

Thank you for the invitation to submit written evidence to the Committee regarding the Carrier Bag Bill currently being considered by the Northern Ireland Assembly. Our comments on the proposed legislation are set out below. We would also welcome the opportunity to provide oral evidence to the Committee.

I trust these comments are useful.

Yours faithfully

P.P. Aodhán Connolly
Director of the Northern Ireland Retail Consortium



INVESTOR IN PEOPLE

Second Floor, 21 Dartmouth Street, London, SW1H 9BP T: 020 7854 8900 F: 020 7854 8901 email: info@brc.org.uk www.brc.org.uk

Brussels Office, Square de Meeus 38/40, 4th floor B-1000 Bruxelles T: +32 (0) 2 401 6824

Scottish Retail Consortium, PO Box 13737, Gullane, EH31 2WX T: 0870 609 3631 F: 0870 609 3631

A Company Limited by Guarantee No. 405720 A Registered Company in England

Carrier Bag Bill – Evidence from the Northern Ireland Retail Consortium

1. Key facts about retail and plastic bags

- 1.1. Our members led the way in providing Bags for Life and in providing facilities for customers to recycle single use plastic bags, with millions recycled every year. Carrier bag monitoring data published in July 2013 shows that 60 per cent of stores have front-of-store recycling points offering customers convenient ways to recycle bags and packaging whenever they do their food shopping.
- 1.2. Carrier bag recycling is also becoming the norm for supermarket shopping online, where some customers are offered loyalty points for choosing to have their items delivered without bags, and delivery drivers collect and recycle bags after use.
- 1.3. Our members have worked positively with the Department of Environment (DOE) to introduce a 5 pence levy on single use carrier bags in Northern Ireland from 8 April 2013. Members report a significant drop in the percentage use of single use carrier bags, illustrating the impact of the levy and the good will and compliance shown by customers and staff. Retailers have heavily invested in IT, marketing, signage and staff training to implement the levy and achieve the reduction in the use of single use carrier bags.

2. Extension of the 2008 Climate Change Act to carrier bags (clause 1)

- 2.1. The NIRC believes that the proposed levy should not be extended to reusable carrier bags for the following reasons:
 - 2.1.1. A consumer tax for doing the right thing
 - A reusable bag tax will penalise customers for doing the right thing and being environmentally conscious. Re-using bags is a totemic environmental behaviour and the extension of this principle to other areas would make a big difference in sustainable consumption.
 - Extending the levy to reusable bags is counter-intuitive for our customers who are being encouraged to switch to reusable bags, but will now be taxed for this behaviour.
 - The charge would be the retail price plus a 10 pence tax, thus making this a tax rather than a levy. Increasing the levy to 10 pence and extending it to reusable bags will jeopardise our customers' good will and support for this initiative.
 - Some bags for life are made of 100% recycled content and are 100% recyclable.
 - 2.1.2. Lack of evidence
 - There is no scientific evidence to suggest that a tax on reusable bags would have environmental benefits. Data on carrier bag figures published in July 2013 by WRAP (the Waste & Resources Action Programme) highlight the fact that a 5pence charge on single use bags is having a lasting effect in Wales. The Welsh regulations provide the option to increase the levy to 10 pence if targets are not being met, but this has not proved necessary so far.
 - The stated justification for the Bill is to deter customers from purchasing cheaper versions of reusable bags in order to avoid significant adverse environmental impacts. However, this approach will either:
 - Have the unintended consequence of driving consumers back towards single use carrier bags – which calls into question the purpose of the initial single use carrier bag levy. (Whilst extension of the charge will drive an increase in the levy

monies paid, it is counterintuitive in relation to the bigger environmental impact the legislation aims to target); or

- Incentivise customers to purchase more expensive and more durable reusable bags, which need to be used far more (i.e. at least 127 times more) than a low cost reusable bag, in order to offset their carbon footprint (see below).
- The single use carrier bag levy has been in place for four months and has not had a chance to bed down. First quarter returns from retailers were not due until mid-July (some six weeks after the publication of the draft legislation). Consequently there is no evidence to support the assertion that many consumers could treat low cost reusable bags as throw-away bags. The levy needs to be operational for at least 12 months to allow for analysis of:
 - The reduction in the number of single use carrier bags distributed;
 - The impact on the number of reusable carrier bags distributed, broken down by types of reusable bags;
 - The number of low cost reusable bags thrown away prematurely;
 - The number of worn out low cost reusable bags recycled at front of store bag recycling points in larger supermarkets; and
 - The increase in the number of bin liners sold.
- An [Environment Agency study](#)¹ found that while conventional, lightweight carrier bags made from high-density polyethylene (HDPE) have the lowest carbon footprint of any type of bag; a reusable carrier bag made from low-density polyethylene (LDPE) has to be used only 4 times to have less environmental impact. In contrast, a heavier more durable bag, made from non-woven polypropylene (PP) and a cotton bag would have to be used at least 11 and 131 times respectively. In other words, a regularly re-used bag-for-life proves to be the better environmental option to single-use polythene bags within a month (it betters papers bags within a fortnight). Cotton and other woven bags can take between 2 and 3 years of regular re-use to deliver improvements over single use bags.

2.1.3. Impact on retailers

- This tax will put another administrative burden on retailers large and small. Retailers in Northern Ireland are already squeezed. Almost one in five of our shops are lying empty and we have seen footfall affected negatively by many factors over the past 18 months.
- If this Bill is implemented, as planned, with effect from April 2014, it will coincide with the rise in minimum cost to 10p for single use bags. This will be very confusing for consumers in stores/supermarkets where low cost reusable bags can be purchased alongside the single use versions. Retailers will be at the front line dealing with customers' questions/queries and frustrations and it will be challenging and potentially resource intensive for retailers to be able to clearly explain to customers the rationale behind the new charges.
- When the first tax was introduced in April 2013, we had asked for several months' notice to change our computer systems and train our staff. We did not receive this. With the delay of the introduction of this Bill through the Assembly and the time it will take to pass through the Assembly, retailers will have only a few weeks to change computer systems and train up to 50,000 front line retail staff. This is an unfair burden, both financially and logistically.
- If Phase 2 is introduced, this will come at considerable cost to our businesses in terms of IT, unique bags and bar-coding for NI stores, additional distribution pick

¹ Environment Agency. Life Cycle Assessment of Supermarket Carrier Bags Report: SC030148

slots etc. It is possible that some stores could stop selling reusable bags due to the difficulty in splitting the revenue on them financially and through IT.

2.1.4. Impact on customers

- If this tax is introduced, it will have a greater impact on impulse shopping, which is more likely to take place in small and independent retailers and in local communities. It is also likely to have a greater impact on lower income families who are less receptive to environmental initiatives and more likely to make more frequent, smaller purchases.
- As stated earlier, the extension of the carrier bag charge to reusable bags may have the unintended consequence of the re-introduction of a large number of single use carrier bags, as they will appear cheaper.

3. Payment of the charge (clause 5)

- 3.1. We remain concerned that the main driver behind this legislation is the need to generate revenue for the Department of the Environment. The regulatory impact assessment, published in February 2013, briefly considered a 'retailer charge' (whereby funds generated are distributed to environmental projects / good causes by retailers); however this option was dismissed as it would fail to raise revenue for Executive funded environmental projects.
- 3.2. The introduction this legislation will incur costs for retailers and we believe they should be able to recoup these costs, as is the case in Wales. We also believe that retailers should be free to directly donate surplus funds to environmental projects or good causes, as in Wales.

4. Carrier bags defined by price (clause 6)

- 4.1. If a levy is to be imposed, a lower figure of 10 pence would be more workable, as opposed to the preferred option of 40 pence. This would ensure a minimum charge of 10 pence for all bags.
- 4.2. We are also concerned that the price threshold may keep increasing and then be extended to other forms of bags or other products. This form of direct consumer taxation is not sustainable.