



Northern Ireland
Assembly

Committee for the Environment

OFFICIAL REPORT (Hansard)

Carrier Bags Bill: NIIRTA/NIRC/NIEL/NILGA
Briefing

26 September 2013

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Ms Anna Lo (Chairperson)
Ms Pam Brown (Deputy Chairperson)
Mr Cathal Boylan
Mr Tom Elliott
Mr Ian McCrea
Mr Ian Milne
Lord Morrow
Mr Peter Weir

Witnesses:

Mr Jonathan Bell	Northern Ireland Environment Link
Ms Sue Christie	Northern Ireland Environment Link
Mr Andrew Porter	Northern Ireland Independent Retail Trade Association
Mr Glyn Roberts	Northern Ireland Independent Retail Trade Association
Councillor Shaun Gallagher	Northern Ireland Local Government Association
Ms Karen Smyth	Northern Ireland Local Government Association
Mr Aodhán Connolly	Northern Ireland Retail Consortium
Mr Joe McDonald	Northern Ireland Retail Consortium

Mr Weir: I declare an interest as a member of the Northern Ireland Local Government Association, which is giving one of the briefings.

The Chairperson: OK. I welcome Glyn Roberts, chief executive of the Northern Ireland Independent Retail Trade Association (NIIRTA) and Andrew Porter, its director. Quite a number of other organisations are to present their briefing, so can you do a quick five-minute presentation, and members will have 10 minutes to ask questions? We have your papers already.

Mr Glyn Roberts (Northern Ireland Independent Retail Trade Association): Madam Chair, thank you very much for the opportunity to present here today. You have our submission and, in the five minutes that we have, I want to build on that. Obviously, we have had very significant developments. The consultation ended with the Minister taking the right stance of capping the levy at 5p. That is something that we lobbied strongly for from the very beginning of the levy and made representations to the Minister and his predecessor about. Therefore, that is a welcome move.

I want to restate this for the record: we very much support the objectives behind the levy. As an organisation of almost 1,500 members, we have always been strong supporters of tackling the challenges facing our environment. Indeed, for many years we had the Do You Need a Bag? campaign, and our members were educating customers when it was not, if you like, politically correct

and there was no talk of a carrier bag levy. This was being done for many years. In many stores, that resulted in a reduction of between 25% and 50%. Therefore, we were already doing work. The commitment that we have to cutting down food miles means that we are sourcing nearly 100% of our meat and poultry locally. That, along with being able to walk to your local shop, are all important factors in our environment.

However, we had real concerns about the levy when it was introduced. Despite those concerns — we should not forget that this was largely imposed on the retailer sector — none of the substantial points that we put to the Minister was accepted. In many ways, this was railroaded in. Therefore, that is why we particularly welcome the moves of Minister Durkan to cap it at 5p. Despite our concerns, we are very committed to working with the Department to ensure that the levy is a success.

We have a number of points — recommendations, I suppose — that we would like to put across. First, we believe that phase 2 should be scrapped. It is a complete contradiction in terms of the environmental aspects of the levy to introduce a levy on reusable bags, because that is what the levy was about. It was so that people would reuse and recycle carrier bags. Therefore we believe that there is a fundamental contradiction. There are also significant issues in that this is adding 5p on to a product that retailers already sell. Therefore, there will be significant administration issues around that.

We also want to see extensive consultation with retailers about how the levy will be spent and the projects that will be involved. From the beginning, we emphasised the need for the Welsh system to be in place. Obviously, England and Scotland are going down the road of the Welsh system. For some reason, the Department of the Environment (DOE) decided that it would do something very different. So, we would still like the Welsh system to be considered. At the very least, the Minister needs to consult extensively with retailers who have worked hard to raise this levy, which many of them believe to be a stealth tax. I believe that that has to happen before any decisions are made, because the perception is that this carrier bag levy is in place to, if you like, fill a hole in the Minister's budget. We would also like consideration to be given to use the levy to fund environmentally friendly projects in town centres. That is something that the DOE is doing on derelict sites that blight the landscape in places such as Portrush anyway.

The other issue that has emerged, and I know that it has been raised by Committee members, is something that we have been hearing anecdotally for some time. It is that spending has gone down as a result of this levy. People are physically carrying stuff out of the store, rather than paying for a carrier bag, and that obviously means that they are spending less as a result. We have heard a lot of different reports from many members, and ahead of our meeting with the Minister on 22 October, we intend to survey a representative sample of our members to see whether there is a reduction in basket spend. Some retailers say that there has been and others that there has not, so we want to get a more accurate assessment because we can proceed in anything like this only on the basis of evidence.

There are a number of things that we would like to see. However, ultimately, the Minister has to consult with the people who raised this levy in the first place and retailers themselves. That is because my members see themselves as community retailers. They work with a lot of community projects and groups, so it is in their DNA, if you like. They would, I think, be very disappointed were the Minister to proceed to allocate the spend without consultation.

The Chairperson: I agree with a lot of what you say, Glyn. I am on public record as asking the Minister about the validity of the second phase. You made the point about the Welsh initiative spending the money on additional environmental projects rather than to plug a hole in the Department's budget. How do they do that? Is money actually given to projects by the retailer or put into a pot or something?

Mr Roberts: Our colleagues in the Association of Convenience Stores are developing work in that area. There will be a number of different case studies there that I will happily share with the Committee. Consultation would certainly give retailers, who have to spend a bit of time administering and collecting this for the DOE, a greater say. It is not just independent retailers; my colleagues from the Retail Consortium, from whom you will hear after us, would take the same view that its members would like a greater say in consultation about where this money is spent. So, if they are not proceeding with the Welsh system, I would certainly like to think that our members, or the organisations that represent retailers, are consulted in this. I think that that would be very much in keeping with the spirit of the levy in Scotland and Wales and, soon, England. Consultation is absolutely essential.

We would say that should happen not just by way of some sort of replacement to the green new deal. We are on record as supporting the green new deal. We have actually suggested that it should be extended. In the past, we put evidence to this Committee about green rates; if a business invests in green technology, that business should get help with its rates, in the same way as the system, which I think is now finished, applied in domestic properties, where, if you build in energy efficiency people got help with their rates. We have put a lot of ideas out about this, so we want to see extensive consultation by the Minister. I would, frankly, be very disappointed if we read about it in a DOE press release.

The Chairperson: I do not know whether we will have time for that sort of consultation, but it could come later on.

Mr Roberts: This is something that we have been saying right from the very beginning.

Mr Weir: Thank you for your presentation. There is a lot of meat in the substance. If you are developing case studies, or as we progress the broader issue, it would be helpful if you could give us information on the Welsh model, particularly from a distribution point of view.

In a general sense, and from conversations that I have had with others, I am concerned about the extent to which this is evidence based, and I put down a question about that. It strikes me that it is very clear cut. The problem is that it could be common sense and anecdotal information in a lot of this stuff. However, one thing that seems to be resonantly clear is the fact that the introduction of the 5p levy has had a major impact on consumer behaviour with regard to purchasing bags. It has led to a dramatic decrease, and that is fairly unanswerable.

Do you have any case studies with regard to the impact on consumer behaviour? It appears that any increase in the 5p levy is on the long finger and has, possibly, been put off altogether. Obviously, the goalposts have shifted a bit as regards the reusable bags. I will not bother you with a direct answer now, but do you have any evidence on the impact of price variability on consumer behaviour or are you aware of any action that is being taken by the Department to try to study that behaviour? This may have been simply postponed for a while. However, if, at some point, consideration is given to whether 5p is the right rate or whether it should be 10p, and taking into account the other issues involved, it should be based on evidence. The principle purpose of this was to try to change consumer behaviour, and it has largely done that. However, if the initial estimates were that the 5p levy would generate a £4 million block, and it has clearly fallen well short of that, it suggests that there is not a great deal of concrete evidence on that.

Mr Roberts: I will ask Andrew to answer that, as Andrew is the manager of Creightons of Finaghy and is a retailer himself. I will talk about the policy points, and Andrew can come back on his experience.

You are right; we have picked up a lot of anecdotal evidence about basket spend being down, whereas other retailers have said that there was an initial drop and then it stabilised. We have to make sure that we get the evidence to the Minister on that, and that is what we will be doing. Over the next few weeks, there will be a telephone survey of a representative sample of our members. We will try to get that evidence with regard to food and non-food, and we will give that evidence to the Minister. There is a carrier bag stakeholder group, of which I have the honour to be a member. Officials briefed us on the expected amount of funds that it would raise, and it will probably clear, after administration costs, somewhere in the region of £800,000 for this quarter. I asked whether they expected that that would reduce, obviously, with fewer carrier bags being used and sold. They did not expect that, which I through was strange. Surely, it should lead to a gradual reduction in the usage and, therefore, the income that would be raised by the levy. However, we are committed to work with the Department. Yes, we do not particularly like the scheme, but we have learned to live with it. Nevertheless, we want to put forward some sensible changes and, to the Minister's credit, it was good that he moved on the 5p. However, we need to find out whether it is having an impact on basket spend, and we need to get evidence of that from our members.

Mr Weir: I suppose it will be one of those things that will be quite difficult to disaggregate. As you are aware with consumer spend, a range of factors contribute at any one time. To disaggregate the impact on one will always be slightly questionable. For instance, by how much is it reducing convenience spend or to some level altering consumer behaviour, for example through people moving their spend rather than not spending? In other words, do people move their spending from a quite a small store to a larger retailer? There is obviously an overall spending issue, which we have seen in town centres, in large part due to a change towards internet spending. That is the one area where there has been

high growth. Even the supermarkets have felt the impact. They may have picked up a little bit of stuff by people shifting their spending from town centres. How do you disaggregate what the experimental position would be if you did not have the bag tax? What impact would that have? I suppose that it is going to be quite difficult to disaggregate that.

One other issue that I want to touch on is your indication that you oppose the shift in the price that is to be put on reusable bags. I understand that we are dealing with a certain level of intuition and common sense rather than evidence, which is part of the problem. The Minister has considerably shifted down the threshold. I can understand an argument that may be used by the Department, which says that a levy on reusable bags clearly seems to go against the grain of the policy intention. However, the quality of such bags and, therefore, consumer attitudes to them can vary according to the price of the bag. For the sake of argument, a bag on which you pay 30p or 50p is a bag for life; it is quite sturdy and one that you will probably use time and time again. A bag costing 8p or 12p may be different. It may well be regarded as reusable, but it will probably be used a few times and then put out with the rubbish after two or three weeks. Do you accept that there may be some differentiation between reusable bags? Although welcoming the general reduction, events have overtaken us on that since your evidence, and there has at least been a shift by the Minister. It would be useful to hear your views on that.

Mr Roberts: I hope that we can accommodate some of those points in the questions that we ask in our survey. I will happily share the results of that survey with the Committee to ensure that it adds to the body of evidence when you are considering this when it goes through the Assembly. My colleague Andrew may want to respond to those points.

Mr Andrew Porter (Northern Ireland Independent Retail Trade Association): Yes; we were at the coalface when the legislation was launched. I commend the fact that it was highly advertised and promoted, creating high customer awareness. But it was a huge culture shock and change for the public. The initial impact was a clear reduction in basket spend. That is heading back in the right way in our case; perhaps due to the public getting used to the legislation and bringing their bags with them. Typically, we were met with most people accepting it. We got abuse from some people because this had come in, but you will always get that anyway. So, I think —

Mr Weir: AS MLAs, we would know nothing about that. *[Laughter.]*

Mr Porter: No, not at all.

There was sort of a transition, awareness and education period for the public conducted by us. We had to do that; nobody else was doing it. So, that was a big mindset change for the public. It took several months to settle down, and now we are away. When Glyn told me that there was another phase coming, I thought, "Do we have to go through another training exercise with the public? Do we have to do this again?". We reduced our carrier bags by 80%, which is a great achievement. That was the main target of the legislation. The 5p cap has been great news for us as well. As I said, we have gone through the pain, and we are ahead. We have achieved a significant reduction in plastic bags. Do we just leave it there? What more do we have to do when it comes to levies? At the outset, we encouraged our customers to use reusable bags.

Mr Weir: Do you see a differential? Depending on which store you are in and on what is available, you can get different types of reusable bag. Some are pretty cheap, and some are more expensive. I would have thought that there would be a differentiation. I know that some stores sell reusable bags — I will not use brand names —

Mr Porter: I think that you are either paying 5p for the throwaway bag, or you are spending £1 for a decent shopping carrier bag.

Mr Weir: Yes, but some bags are retailed at 10p, for instance.

The Chairperson: I wonder whether they wiped out those cheap reusable bags. You now have to pay 20p for that. Say they are 19p, you then have to put another 10p on top of it as a levy. People will not bother buying the cheap reusable bags, and they will spend £1.

Mr Porter: I do not know. I think that it flies in the face of educating the public by saying that there is a levy. To be honest, the public do not see it as a levy; they see it as a tax. They have got used to it and have been encouraged to go down the reusable route, but then they are told that will change.

The Chairperson: They are still going to be charged.

Mr Porter: I do not think that it would go down well with public opinion.

The Chairperson: Glyn, did your survey show that basket spend is lower but that people make more frequent visits to their local shops?

Mr Roberts: It is entirely possible that that could be the case.

The Chairperson: People can carry only three or four items in their hands, so they come back in two days' time and buy more.

Mr Roberts: I have heard some interesting stories about people taking metal baskets out of shops, dumping the shopping in the car and bringing the baskets back again. There are lots of strange examples of consumer behaviour. We can talk anecdotally all we like, but we need hard evidence. That is what we hope to get. We want to work with the Department, but stage 2 is a stage too far, quite frankly.

Mr Boylan: Thank you for your presentation. I was concerned about impulse buying and people going into a shop to buy one item. I think that you hit the nail on the head, Glyn. For the Committee to scrutinise the Bill properly, we need evidence. I have heard different stories. I have to say that people have been very positive in my area. There has been an 80% reduction in carrier bags in most retailers, even the smaller ones. I have concerns about the impact on smaller retailers. We need to gather evidence from them about exactly what is happening.

You commented on some of the clauses, but there were some aspects that you did not touch on in your presentation, such as the payment provision in clause 5. Perhaps you could talk a little about that and about how you are going to gather evidence so that we will be better informed as we progress the Committee Stage.

Mr Roberts: As you said, small businesses would be especially penalised by the interest payment. When this started off, we were assured that the regulations and the enforcement would be light. Some of the fines that are included in the legislation are, quite frankly, excessive. We have taken a look at the clauses, and a lot of work has been done on consumer feedback. We need to find out the views of owners of small shops about the impact of the levy since April. We need to find out what the problems are and whether there are issues that could be addressed and changed to make it easier for them.

We want to provide solutions to the Committee and the Minister, rather than just bringing problems. We want, as a broad theme, to ensure that it is as user-friendly as possible to smaller traders. By and large, the administration has not been as bad as we originally thought. Retailers have adjusted to it and have been able to process it through their tills relatively easily. The concerns that we raised initially about the administrative burden have not materialised, but it is a constant process of monitoring and working with retailers. The carrier bag stakeholder group met only last Friday. Obviously, the levy has been in place since April. The group should have met more frequently and should have worked with this at every stage. We have done our bit to promote it. We have done our bit to try to help members who have problems to ensure that, if they need to speak to the carrier bag police, they can easily get in contact with them. If there is one thing that we want to get across to the Committee today, it is that stage 2 is a stage too far. It should be parked indefinitely. Let us work with the scheme that we have, which, as the Minister said, is a success.

Some returns are based on returns from the large supermarkets. I do not think that they have the full picture from smaller shops yet, and we need to see the bigger picture. All the stats that we are aware of are not yet in place, but after the first year of the scheme, the Minister needs to take a look at it to see what needs to be changed and what needs to be built on. The 5p levy is a good move. We hope that the Minister is open-minded and prepared to countenance more change.

Mr Boylan: Peter talked about reusable bags. Has there been any talk in the industry of looking at the types of bags that have been sold or used? What if parts of the industry decided to sell a stronger 30p bag that would last longer?

Mr Porter: From experience, customers are paying either 5p for a single-use bag or £1 for an everlasting bag. They are not looking for a bag that will last for only a few uses; they are looking to spend a higher amount on a bigger bag.

Mr Boylan: Obviously, you have talked about that in the industry. There has been a change. I talked to a lot of people in the community that I represent who are using reusable bags. It is not a big problem. You are right: maybe the idea was grand the first time round. I welcome the hold on the 5p charge. Many members of the public have switched on to it and are using reusable bags. That is why I say that any change needs to be evidence-based. Will you do research and bring it back to us?

Mr Roberts: Yes. People often refer to it as the plastic bag levy. It ain't; it is the carrier bag levy. There is a variety of bags. As the situation settles down, consumers will do what is right for them. Bigger stores and shops require many more bags. There is increasing evidence of shopping patterns changing, largely as a result of the recession. People are less likely to do a big weekly or fortnightly shop; they are more likely to shop on a more sustainable two- or three-day basis because, with a big weekly or fortnightly shop, you will waste food. That opens up a lot of opportunities for many of our members, but the way in which consumers shop is in a constant state of flux.

The Chairperson: Ian, do you have a question?

Mr Milne: No.

Mr Elliott: I have a very quick point. You said —

The Chairperson: Sorry; it was Pam, not Ian.

Ms Brown: Thank you, Glyn and Andrew, for your presentation. I am interested in hearing about other difficulties that your members may have encountered so far with the levy. I am thinking about shoplifting, for example. Many, many moons ago, I was involved in retail. Back then, somebody who came into the shop with a big reusable bag was looked on as a very suspicious character. Now, obviously, we are all doing it. We have had to adapt and bring our own bags. Has there been a consequence to that?

Mr Porter: Again, we will use the word "anecdotal". I made the point to Glyn earlier. In days gone by, or a year ago, if someone had left our store with a bag that was not one of our branded bags, we would question what was in the bag. Now we have no control over that because the bag that is going out the door could be one of many types of bags. Although I do not have evidence on that, I would fear that it is having an impact. That is a very good point.

Mr Roberts: If you see somebody walk out of a shop holding onto groceries in a certain way, that will raise concerns. People walk out of some stores with a metal basket. We need to try to get a handle on lots of different things. That is definitely a legitimate concern. In the past, our big concern was about trying to decriminalise shoplifting, which we would oppose strongly. It is another factor, and it is a question that we will ask. When we present our findings to the Minister, I will be happy to come back to the Committee and talk through our survey results. Our aim is to try to survey at least 100 of our members, which is roughly 14% or 15% of our membership and would be a representative sample. After we do that, we will happily share the results with you. The more evidence there is, the better informed the Committee and the Minister's decision will be. That will be an important question.

The Chairperson: The scheme has been operating only for a short time. We need facts and figures to provide the evidence base.

Ms Brown: There is an issue, Chair. I know from going into a shop with a large reusable bag — I like the hessian-type bags, which are really good — that you are inclined not to want to carry a basket as well. In your common-sense head, you want to put your shopping in the bag and take it to the till. That could lead to people shoplifting by mistake or, in turn, it could make it very easy for people to shoplift.

Mr Roberts: That covers not only the grocery side of retail but every type of retail. There will be significant issues in fashion and clothes shops. We are still pretty much in shakedown time with the levy, but consumers have become used to it.

Another factor that we have to look at — this was evidenced in the South — is whether there has been an increase in sales of black bin liners. What happened in the South, as more single-use carrier bags are not being reused as pedal-bin liners, is that there was a big increase in the use of black bin bags. They are made from denser, stronger plastic, which, unless I am mistaken, takes 1,000 years to biodegrade. That is another question that we need to ask: has the levy led to an increase in the sales of black bin bags? If that is the case, and if the levy has substituted one type of plastic for another going to landfill, there is a big contradiction. The question will be asked: what is the point of doing all this if the same amount of plastic is still going to landfill and causing the same damage to the environment? That has to be evidence-based. We will try to do that.

The Chairperson: Tom, do you still want to come in?

Mr Elliott: No thanks, Chair.

The Chairperson: We are really running over time with your session. You were supposed to have only 15 minutes, and you have had over half an hour. Thank you very much. We will be interested to hear your survey findings when you share them with us.

Members, our next presentation is from the Northern Ireland Retail Consortium (NIRC). I am going to be quite tight with time. We will have 15 minutes for the director, Aodhán Connolly, from now until 12.00 noon. I suggest that we have two minutes for a quick briefing, followed by questions.

Mr Aodhán Connolly (Northern Ireland Retail Consortium): No problem. We must commend the Minister for his common-sense decision to remove the increase in the single-use carrier bag levy from 5p to 10p and to move the proposed threshold for reusable bags from 40p to 20p. However, we are vehemently opposed to the tax on reusable bags. What we heard from members this morning is that there is no scientific evidence or evidential basis for that tax. So, we are squeezing consumers and costing retailers hundreds of thousands of pounds on system changes and staff training on something that is really just taking a punt: there is no evidence for it. The stated aim of the Bill is to deter consumers from purchasing cheaper versions of reusable bags and to avoid the environmental impact. However, that will either drive consumers back to using 5p single-use carrier bags, which calls into question the purpose of the initial levy, or it will encourage consumers to buy more expensive, heavier bags that need to be used more often to offset their carbon footprint. An Environment Agency report has shown that the lighter reusable bags — the 6p, 8p, 10p and 12p bags — need to be used only around four times to offset their carbon footprint whereas the more durable bags need to be used up to 131 times before their environmental impact is negated.

The Chairperson: By that time, there may be holes in them.

Mr Connolly: If you are talking about the 6p, 8p and 10p bags, one good thing as far as our members are concerned is that they are not only reusable but recyclable and replaceable. If there is a hole in a bag for life, you simply bring it back to the store and have it replaced. We have found that many of our customers are doing that.

I said that it costs hundreds of thousands of pounds to change systems and train staff. It also takes considerable time. Our members are greatly concerned about the timing of the Bill and the proposed implementation dates. They need at least eight months to make the necessary changes rather than the few weeks that it seems that we will get. It is totally unrealistic to ask retailers to make those changes over the Christmas quarter, which is their busiest quarter of the year. Overall, we feel that it sends the wrong message to consumers. It effectively penalises them for being environmentally conscious. To reiterate what our colleagues in NIIRTA said: we have already seen that the single-use carrier bag levy has had an effect on large and small retailers, with customers not making as many impulse buys and putting items back because they simply cannot carry them and do not want to pay for a bag. A tax on reusable bags will exacerbate that position. If it is about money — if it is just a tax — surely the efficiency drive that the new Minister of Finance and Personnel announced will be able to fill that gap rather than taxing consumers and putting a bigger burden on retailers.

We are grateful to the Minister for his open dialogue. The current Minister, the former Minister and the Department have had an open dialogue and frank talks with us. We are glad of that. However, we are vehemently opposed to a tax on reusable bags.

Mr Joe McDonald (Northern Ireland Retail Consortium): I will give members a specific example. From Asda's point of view, phase 1 has been a remarkable success. We have seen a 97% drop in the use of single-use bags, which has far exceeded anyone's expectations. If we were to extend the levy to reusable bags, we simply do not have the evidence to know whether people would be less inclined to throw that bag away because it is now more valuable or to trade back down to a 5p bag because it is now more affordable. If we bring in a levy, that will mean an increased cost to business and to the public. There is no other way to look at it, and it is a big concern. Our preference is to stick to phase 1 because, with it, we are in a really good place with shoppers. It seems that it has delivered its environmental objective. Let us see what evidence emerges in due course. The date of 1 April 2014 looks very unworkable for retailers. Please do not come back to the retail sector asking for a big project to be started before Christmas because it is such an intense period in retailing for big and small retailers.

The Chairperson: How big a burden do you think phase 2 on reusable bags will be?

Mr Connolly: It is starting the process of system changes all over again. The Northern Ireland retail sector has 50,000 front line staff who will have to be trained. It also takes time and man hours to implement those changes. There is also the burden of administration and the burden on the tills. Evidence from our large retailer levy survey stated that every five seconds at a till equals a £10,000 per year loss to a retailer. It not only puts a fiscal burden on retailers for training and system changes but puts a burden in removing impulse buys and the required administration. We do not agree with the tax at all, and we think that the timing and the proposal are particularly badly placed.

Mr McDonald: I think that there are a couple of ways in which it may be more difficult for phase 2 to be implemented. First, we have to phase out what is in the current system and phase in a new type of bag, with the associated IT, and so on, which is more complicated than starting from scratch. Secondly, it will be much more difficult to communicate with the public, because this is a counter-intuitive move. The public immediately understood the 5p context in phase 1, but environmentally conscious consumers now want to buy reusable bags, and explaining that logic will be a long process. Think of that in terms of politics: if you have to explain yourself, you are losing. That is where we are going with phase 2.

The Chairperson: There may also be more arguments at the till.

Mr Connolly: We have spoken to consumers and, anecdotally, have found that there is no awareness of the issue. Whatever awareness there is, there is not the same good feeling that there was for the 5p tax. Over the next few weeks, the Northern Ireland Retail Consortium will conduct a public poll across Northern Ireland — British Polling Council standards will ensure that every demographic is counted — to find out how the public feel. From what we have been told so far, it looks as though they are, first, not aware, and, secondly, there is not a good feeling. However, as soon as we have those poll results, we will be sure to share them with the Committee.

The Chairperson: It is a hard message to sell.

Mr I McCrea: You mentioned training and eight months being required rather than two to three weeks. I may be confused, but will you tell me why it will take eight months to explain to somebody how to —

Mr Connolly: Our members ask for an eight-month run-in time for anything that changes computer systems. All our members run different computer systems and tills. It takes that time to ensure that not only the initial input but every computer system on every till across Northern Ireland gets plugged in. Some 80,000 people work in retail in Northern Ireland, some 50,000 of whom are front line staff. We must train them not only on what needs to be done at the till but on how to deal with questions from the public. In the previous presentation, we heard about staff being abused. Thankfully, because of the levels of communication, there was not a huge amount. By the same token, we need to provide our staff with the tools to answer questions and to deal with queries and any more strongly felt — shall we say — points.

Mr Weir: Ian touched on my point. For the sake of argument, are you saying that if the DOE brings in the tax or moves in that direction, an eight-month period is required?

Mr Connolly: Eight months to a year would make it easier for our members. When the single-use levy came in, for example, one of our members had already tried to make the changes; they simply took a chance that it was going to come in. They needed nine months, which is what they gave themselves. However, we have not yet seen the regulations and do not have the full time frame, but the Department is still sticking to 1 April 2014. Think of the timescale for the single-use carrier bag: it was introduced in January of the previous year, which gave lots of time. This Bill was not introduced to the Assembly until 3 June. The Committee Stage is running until 17 November. By the time the regulations come out, there will be only a few short weeks, and it is simply not fair to ask retailers to do that in the Christmas quarter, given the number of computer systems that will need to be changed and the staff who will need to be trained.

Mr Weir: I do not expect you to respond to this issue today, but I am keen to get a paper from you. The Committee and NIRC seem to agree that there is a problem about which direction to go in because things seem to be based on intuition rather than evidence. I am sure that you are keen not to be put in that category. It would be helpful if we had written evidence from you on the required time frames and steps for implementation so we could quantify any practical difficulties. If you need eight months to a year, we would like evidence to justify that. Perhaps that is not doable in the sector. I do not know, Joe, whether you are in a position to provide an indicative case study from Asda's point of view.

You said that there will be training, administrative and IT costs, and we can understand that. Would it be possible for you to provide us with a short paper showing the cost implications? Nobody will tie you down to figures, but ballpark figures would be useful. People can grasp the fact that, anecdotally, there will be additional costs. However, if we are trying to weigh up the evidence, it would be helpful to drill down. If NIRC produced a paper, or if Asda produced a case study, that dealt with those two issues, it would allow the Committee to make a better judgement on whether those difficulties can be overcome or whether phase 2 should be altered or abandoned.

Mr Connolly: That is an eminently sensible suggestion, and we will certainly look at it. I will build on your point about evidence and time frames. It has been said that there is a need for a culture change among consumers in Northern Ireland. That received huge support not only from all the parties but from stakeholders. There has been a 97% reduction in the use of single-use carrier bags in Asda, with percentages of 80% to 85% with the rest of our members. Surely we need at least 12 months to find out whether we have managed to imbue consumers with a culture change. That goes back to your point about there being no evidence at present.

Mr Weir: To be fair, before the 5p levy was introduced, some siren voices were saying that it should be voluntary, that it should not be brought in and so on. Now that the levy seems to be broadly accepted, at least in the context of consumer cultural change, it has worked well. I appreciate that there is a limited evidence base, but it seems to be accepted that there has been a large reduction. We need evidence from all sides to make judgements.

Mr Boylan: Thank you very much, Aodhán. You are welcome back. I have the same view as Peter about having an evidence base. I certainly have some sympathy for business and retail, but I also sympathise with consumers. If it is possible, we should get evidence of problems that this will create for the industry and how it will impact, especially on the front line. That is from where you will gather most of the evidence about consumer behaviour and everything else. We want to see exactly what is out there, and the evidence base is the only thing that we can go on.

In my experience and having spoken to consumers, I know that a lot of people have embraced the 5p charge for a plastic bag. As a result, I now see a lot of people going to the shops with reusable bags. However, at present, there are questions over whether we should try to sell the idea to the general public that they should pay for reusable bags.

If we can gather evidence from consumers and the business community and bring that to us, I will support that and take it on board. I have no other points to make.

Ms Brown: I know that Joe and Aodhán were in the Public Gallery when I asked my earlier question about problems or difficulties as a result of the levy. Have you any suspicion or evidence that there is more shoplifting?

Mr Connolly: Funnily, Joe was telling me an anecdote about some of the crates that are being lifted.

Mr McDonald: It is difficult to tell. Earlier, you spoke about disaggregating information. We have a level of losses. However, it is hard to take anything from that, and we have only figures from the first quarter to look at. From experience, I do not think that we have seen a real spike in shoplifting, but we will see how that goes. The quarter coming up to Christmas is a really big one for retail, and there will be some seasonal changes. I could not say that we have definite evidence of that. Everyone shares that concern, but I could not go any further than that.

Ms Brown: Hopefully time will tell.

Mr McDonald: Yes.

The Chairperson: You need some facts and figures and surveys to find that out. You can understand that it is not easy. If someone has an armful of dresses, you do not know from which shop they have bought them.

Lord Morrow: That has been said to me. I spoke to someone from a store in one of these shopping malls, in which one store leads to another and there is no segregation. That person pointed out to me that an individual had come in from another store with different items of clothing over their arm. They had been paid for, but that person told me that that individual was now in his shop and, because he was also in that business, it was potentially quite worrying for him that that would exacerbate the problem of shoplifting. However, Joe, you said that there is no evidence, or clear evidence, of that at this stage.

Mr McDonald: I could not say to the Committee that we have any specific evidence that it has really spiked our losses. However, it is something that we will have to look at. If it becomes an issue that we can put our finger on, we will certainly feed our findings back into the debate.

Mr Connolly: Common sense tells us that it is not going to make it harder for people if they wish to break the law; rather, it will make it easier.

The Chairperson: You asked whether Committee members would like to come out to a shop to see the operation. What do you mean? Talking to your staff, or something else?

Mr Connolly: The reasons that I sent that request into the Committee were threefold. First, so that you could see how the original levy is being implemented on our side of things, see the computer systems, see what has to be changed on the ground and even get a feel for the different types of bags that our members have on offer.

Secondly, it was to talk to front line staff so that you could see exactly what the implementation has meant to them and what problems and benefits they have encountered. I suppose that the third thing — the most important as far as this debate is concerned — is that you would have the chance to see the impact, hear from the store managers and see what difference the proposed legislation will mean to retailers at the coalface. We can talk facts and figures, and Joe and I can give you the arguments from our side, but we really wanted to afford the Committee a chance to come out and tangibly see what difference the existing legislation has had, and the proposed legislation will have, on the ground.

The Chairperson: Where do you suggest we go?

Mr Connolly: Obviously, because you are in Stormont, somewhere within a few miles of here. We have several members with excellent stores around here. It would be up to Committee to decide what store was most appropriate for it, but I can certainly give you a list of recommendations.

The Chairperson: Sure. If you can send us a list of where we can go, we will have a chat. Thank you very much, Joe and Aodhán.

Mr Connolly: Thank you for your time.

The Chairperson: I welcome the witnesses from Northern Ireland Environment Link (NIEL). Sue Christie is the chief executive and Jonathan Bell — not that Jonathan Bell but the other one — is its projects and policy officer.

Sue and Jonathan, we are tight for time and have only 15 minutes or so. We can give you two or three minutes in which to make a presentation. We already have your written presentation. In contrast to the two previous sets of witnesses, you seem to be quite supportive of the reusable bag levy.

Ms Sue Christie (Northern Ireland Environment Link): I think that we need to support what good behaviour has done. Jonathan will give a short presentation, and we will then answer your questions.

Mr Jonathan Bell (Northern Ireland Environment Link): Thank you very much for inviting us here to speak today. As you know, NIEL is a forum and networking body that represents over 60 organisations that are interested in the environment in Northern Ireland.

As one of the initial proponents of the levy on carrier bags, we welcome the progress that has been made, and we would like to congratulate the retail sector and the public for how they have embraced the change. Initial figures suggest an 80% reduction in the first quarter. For some, those results may seem insignificant in the context of wider environmental policy issues, but, for us, they are important, given the staunch resistance in some quarters to the proposal when it was first mooted. It serves as a great example of how willingness to accept positive change and a small financial incentive can have a dramatic impact on achieving win-win outcomes for the economy, the environment and the public. We also welcome the channelling of funds received to environmental projects, which has provided community benefits across Northern Ireland.

Progress has clearly been made; however, it is important not to take our foot off the accelerator. A total of 17 to 18 million single-use bags were still used in the first quarter in which the levy was in operation. That would equate to well over 60 million single-use bags per year, so we still have a long way to go. Although we feel that the proposed increase in the levy would have ensured the continued downward trend in single-use carrier bags, we acknowledge and understand the Minister's decision to reward the public for their efforts to date. However, it would be useful if future increases in the levy were to be allowed if progress does not continue in usage reductions. The second phase is now necessary to reinforce the good work carried out in the first phase and to ensure that the environmental gains and public action are sustained.

We are generally supportive of the clauses in the Carrier Bags Bill, and we will take the next minute or two to focus on one clause that seems to be contentious. We support the proposed extension of the levy to reusable carrier bags, rather than just single-use carrier bags, and endorse a price threshold that would exempt bags above that threshold from the levy. Although that would have been absolutely essential if the planned increase in the levy to 10p had proceeded — as, otherwise, reusable bags at around 10p would have been the same price as single-use bags — it will still serve as a useful additional encouragement for people to reuse their reusable bags and provide an opportunity to raise the issue again in the public consciousness. It reinforces good behaviour, which has begun, and will act as an additional driver to encourage those who have not yet changed their bag usage behaviour.

We believe that the possibility of the public purchasing larger reusable bags at the same price as two single-use bags represents a continued threat to fulfilling the environmental goal of the legislation. We believe that the substitution effect will be lessened by applying the levy to cheaper reusable bags, as proposed. Differentiating cheaper reusable bags from single-use bags by way of price will also reinforce to customers that reusable bags are reusable, have a value and are not intended for single use.

Most of the bags in that category are bags for life, allowing free replacement for worn-out bags. Therefore, the consumer will have to pay the levy only once and will have a permanent shopping bag of superior quality. There is no incentive to use it as a single-use bag. Some stakeholders have argued that a levy on reusable bags will penalise customers for doing the right thing or drive them back to throwaway bags. We do not agree with those arguments. Rather, the extension of the levy is a reinforcement of the message and further encouragement for people to behave in an environmentally sensitive way.

If the public have embraced the shift to the extent that the figures suggest, there has clearly been a cultural shift in shopping habits. Therefore, most people already own a number of reusable bags and will not be affected by the levy. Choosing to purchase a single-use bag rather than making use of

your existing reusable bag would not make practical or financial sense. Reusable bags are bigger and stronger. One reusable bag can carry the contents of two or three single-use bags. Therefore, a 5p levy on a larger bag is clearly more sensible than a 5p levy on a number of smaller bags. Furthermore, encouraging people to purchase their reusable bags before the introduction of the levy could act as a further stimulus for people to make the transition to reusable bags, and that would help to tackle the unacceptable figure of 60 million single-use bags still potentially being used.

The levy has been a great success. It was not met with the predicted resistance on the part of the public. Continual review, ongoing promotion and encouraging retailers to limit the availability of single-use carrier bags at checkouts are necessary to make further progress on the issue. The proposal to introduce a 5p levy in England and Scotland will build on the profile of the issue and result in a UK-wide 5p charge, which will provide consistency for consumers and retailers.

I reiterate that the carrier bags levy demonstrates how a public awareness campaign combined with a small financial incentive can encourage better environmental practice and awareness, and that has a considerable benefit for society as a whole. The carrier bags levy has been in operation in Wales since October 2011. Patterns of usage in Wales will not necessarily play out in the same way here, so it is perhaps not appropriate to compare the exact detailed numbers or percentages. However, we can learn from Wales's experience. A 2013 report into consumer behaviour by the Welsh Assembly Government noted concern that people were not making use of the free replacement policy, with the possibility that old or worn-out bags were going to landfill. The report noted that the issue could be resolved by levying the cheap reusable bags. Given the growing recognition of the issue in Wales, it would make sense for us to incorporate the provision to extend the legislation to give the Department the power to introduce a levy on cheap reusable bags in order to avoid the substitution effect. That would give the Department the ability and confidence to ensure that the environmental goals of the legislation are fulfilled.

I will pass over to Sue, who has a couple more points to make.

Ms Christie: I will make a couple of points to summarise some of the comments that we have heard so far today. The main aim of the bag levy was to increase consumer awareness and change consumer behaviour. That is working extremely well. The income derived should be used locally. I would be absolutely delighted if the retailers were involved in deciding how that money is used. It was never the intention at the beginning that the money would be filling holes in the DOE budget. I do not think that any of us are particularly happy with that.

Evidence would be really good. We are glad that NIIRTA has stated that the admin has been less onerous than expected and that people are shifting to using the very long-life bags. However, we need some evidence about the impact of a 5p levy on impulse buys. That seems to be totally anecdotal. I am not quite sure whether that makes a lot of logical sense. Unfortunately, 5p is not very much money.

We would like to see the good work by the public kept up by reinforcing the message of reusing your bag, by further reducing the 60 million bags mentioned and by ensuring that bags taken are disposed of properly. There are two aspects involved: one is less bag use; and the other is to ensure that bags are not littering the countryside. We want to build on the success to date, and continue to address consumer behaviour change and other environmental issues. We need to accept the practical difficulties that have been stated today. Perhaps there are other ways to encourage continued consumer action at less cost to retailers. However, changing consumer behaviour and attitudes is the most important goal of the legislation, and that is what needs to be reinforced.

The Chairperson: Thank you. As I said earlier, Sue and Jonathan, the message seemed to be very difficult to sell. People would ask why they are being taxed for reusable bags. How do we say, in very simple terms, that we are charging for reusable bags because it is right to do so?

Ms Christie: That is not really the right question. All bags are valuable resources, and we need people to recognise that they are valuable, reusable and need to be taken care of properly. We are putting the same cost — the same differential — on to a reusable bag that is put on to a single-use bag. You are changing the cost of a reusable bag. Remember, the limited information that we have today is that people are not tending to move to the long-life bags.

You are talking about a 5p levy on a life-long bag — something that is going to be there for ever. That is not the same as putting 5p on a bag that has no cost to begin with. We are talking about 5p on a

10p bag that you have for ever. People are perfectly happy to buy such a bag before the levy comes into play, which can be used as a very strong publicity agent to encourage people to get into using the reusable bags: if you get your bag now, you can keep it for ever.

I say thank you to the retailers for continuing to provide the bags for life, because it is a really good incentive. I am not sure that 5p as a levy is that significant an amount, proportionate to the cost and the benefit that you would get from your reusable bag.

Mr Jonathan Bell: Judging by the figures, a lot people already own reusable bags, so they should not be affected once the levy on reusable bags comes in.

Mr Weir: One of the areas of concern that has been raised, which has more to do with the administrative side of things, is that the time frame for introducing the levy is too short. Will you comment on that?

I want to pick up on the Chairperson's point. From a public message point of view, you have perhaps underestimated the hurdles that exist when differentiating. When you discourage the use of single-use bags and say that there is a levy going on them that is environmentally friendly, that is a very easy message for people to buy into. The message about reusable bags is a lot more complex or counter-intuitive for people to buy into. At the very least, were there to be changes made there, from a consumer awareness point of view and from the point of view of selling it to the public, there would have to be a much greater lead-in time. What thoughts do you have on the lead-in time?

Ms Christie: I accept that completely. I see a very big problem in getting the message tooled up, as well as having the technology for the retailers. It would be highly desirable to delay things, because the lead-in time has been truncated, through no fault of the retailers.

As far as the message goes, our main message is that bags are valuable and should be reused. We are not trying to differentiate between what has a levy and what does not. In some ways, the simplest public message is that there is a levy on carrier bags. It is about selling that message.

Mr Weir: There is a complication from the public's point of view, however. They feel that by getting a reusable bag, they are doing the right thing for the environment and are being ethical, and they may well have that in their mind more than the economic argument. The problem is that it is a lot easier for someone to accept the levy because it is pushing people towards using a reusable bag. They will think that they are doing the wrong thing by getting a single-use carrier bag, yet they will still be charged if they do the right thing and get a reusable bag. Whatever the rights and wrongs of it, that will be a difficult message to get across to the public and for it to sink in.

Ms Christie: You could go all the way and get a really long-life bag and have no levy to pay again. It just concerns this particular type of bag, which is slightly better than a single-use bag as opposed to —

The Chairperson: The cheap reusable bags.

Mr Weir: In certain ways, this is an argument in favour of bringing in the levy, albeit perhaps in the way in which you have put it. When I buy relatively cheap reusable bags, I do not treat them in the same way in which I would a more expensive reusable bag.

Ms Christie: Exactly.

Mr Weir: I suspect that people will not take the attitude of getting their bag early because they will be able to use it for the rest of their life if it is a 10p bag, or whatever. I think that people's attitude — it is the substitution effect — is that, if they get a 10p reusable bag, they will use it two or three times and then the next time that they will use it is when they have to put stuff in the bin. It will not be used for life. I would treat that bag quite differently from how I would treat a much more substantial bag for which I paid perhaps 50p.

Ms Christie: Perhaps you are making a good argument for why the levy should be more than 5p on reusable bags, which is an argument that we are not going towards at the moment.

Mr Weir: No, I am making the argument that people will have a different attitude to cheaper bags, which gives a level of merit to that bit. There is a level of substitution effect. I can see a good, logical

argument that there is a substitution effect on both sides of the coin. What I mean is that, without a levy, some people will decide to go the next step and get a 10p bag, because they will get a few uses out of it. However, they will not treat that bag the same as they would a 30p bag. There is some merit in that argument from what has been put to us previously, which is that if you get a 10p reusable bag suddenly going up to 15p, there may well be a strong temptation for people to substitute downwards. There are arguments on both sides.

Mention was made of various assumptions about consumer behaviour. Sue, as I asked others, can you provide us with any evidence that shows how consumer behaviour will be affected by the impact on a reusable bag? You mentioned Wales. If I picked you up correctly, that report more or less came to the conclusion that it is something that should be done, rather than it being an example of a levy on reusable bags for the past five years and demonstrating the impact on consumer behaviour as a result. Is there any evidence that can be produced that clearly shows the impact as opposed to a useful direction of travel?

Ms Christie: I do not know that there is. We will look to see whether we can find anything from elsewhere in the world. There is certainly not anything else in these islands. We will see whether we can find something from elsewhere.

Mr Weir: I appreciate that it is not directly your problem, but we are getting contradictory views. Maybe, using a different timescale, it could be a reasonable route by which to try to establish some of this. On either side of various arguments, people are making certain suppositions about the implications. There seems to be a very limited amount of concrete evidence on both sides of the argument. That puts us in a more difficult position when it comes to legislating. That is more of a comment than a question.

Ms Christie: I agree with that very much. We do not know what the impacts are. We have had a brilliant response so far from the public, and we want to continue to encourage that.

Mr Jonathan Bell: It is appropriate to recognise that one of the threats to achieving the environmental goals of the legislation is the idea of the substitution effect. We need to have that tool in the legislation to be able to challenge that if the issue —

Mr Weir: I understand the logic of that, Jonathan. My concern is that there is a counterargument that the substitution effect could, in practice, operate the other way. People could think that if they are paying a levy, they might as well get the cheapest 5p bag and just use that. In theory, somebody who is sufficiently mean spirited and environmentally friendly could reuse a single-use carrier bag on other occasions. It is not an absolute.

The Chairperson: As bin liners.

Ms Christie: Don't we all? The point is that we want to differentiate more strongly between single-use bags — there are times when we all need a single-use bag — and reusable ones so that you do not end up throwing away or littering with your reusable bags.

Mr Weir: I understand the logic of that. It is just about ensuring that what is done is practical and actually works rather than something that may or may not create more problems.

Mr Jonathan Bell: Some retailers are selling a cheap reusable bag for 6p, which does not provide a differentiation between the single-use bag and the reusable bag.

Mr Boylan: Thank you for your presentation. I have some sympathy with this. I have talked to some people who have embraced the single-use levy, and they are asking me whether they are going to be charged for a reusable bag. That is the impression that you get. It is about how we get the public to buy into that. It may be a wee bit too early to do that at this point.

The retail industry has things to do to get itself set up for this. It was interesting to hear some of the comments that the representatives of the retail traders' association made. They said that they were not exactly ruling it out, but they have concerns about it. The only way in which to clarify or support a point is to gather evidence. We all have anecdotal evidence from consumers in our constituencies, but we need a body of evidence to suggest what to do, one way or the other.

I think that the public have bought into this and that attitudes have changed. I know that you are talking about 5p, Sue, but 5p is 5p to some people.

The Chairperson: If you have 10 bags, that is 50p.

Mr Boylan: Given the economic situation that we are in, you need to take that on board. I think that you need to get supportive evidence one way or the other.

Mr Jonathan Bell: Given the value of that 5p, it makes much more sense to encourage people to use the reusable bags. OK, there is going to be an extra 5p levy on it, but that one-off payment of 15p, or 11p, depending on where it is bought, makes much more financial sense for someone rather than buying three single-use bags.

Mr Boylan: I do not disagree with that, but we are going from getting the public to buy into the idea of paying for single-use bags to charging them again. There is an interesting point to be made about gathering evidence. A lot of people are buying reusable bags.

Mr Jonathan Bell: You could turn it around and say that we are rewarding people for using the reusable bags because they are not going to be financially penalised. We are rewarding the use of reusable bags.

Mr Boylan: That is the message that you need to get out before you try to sell the levy.

Mr Jonathan Bell: Exactly. If it comes alongside public awareness, it could be bought into.

Ms Christie: I will say something about the timing. From our point of view, public awareness and public action is the most important aspect of this, because it could roll out into other areas of consumer behaviour. That, to me, is much more important than the levy or whatever it is that you are doing. It is about the public message. That has not necessarily been as well promoted as it could have been. I would urge action be taken on that now, through DOE supporting public awareness messages on why we need to value plastic bags, fuel, wood, and so on, as resources.

The Chairperson: The wider aspect of it, yes.

Ms Christie: As I said, I would have no particular qualms about delaying the levy in order to allow the retailers to get their technology in order, especially if it was accompanied by public awareness.

The Chairperson: It is coming up to Christmas, and there is not much time for the industry to cope with all the changes.

Thank you very much, Sue and Jonathan.

Members, we need to keep the next evidence session tight, because we are going to have a big presentation from the Department on the Local Government Bill afterwards. I will limit members to a short question each. I welcome Ms Karen Smyth and Councillor Shaun Gallagher. It is nice to see you again, Shaun. We are really pushed for time, so I will give you two or three minutes and then let members ask you questions.

Councillor Shaun Gallagher (Northern Ireland Local Government Association): We will not take up much of your time. I thank the Committee for the invitation to give evidence on the Carrier Bag Bill today. The Northern Ireland Local Government Association (NILGA) is keen to assist you in any way it can to develop robust and useful legislation for Northern Ireland. As you know, NILGA has a keen interest in waste management, which, even post reform, will be the area of work that involves the biggest ongoing financial outlay for councils. We are keen to ensure that waste and resource management is seen as an economic opportunity locally and by the Assembly. We are working to promote waste as a potential source for the creation of green jobs in addition to developing the positive environmental impact that councils are having through modernising processes and infrastructure.

NILGA is supportive of schemes to reduce packaging waste and to extend producer responsibility. Therefore, it was broadly supportive of the introduction of the single-use bag levy. That continues to be the case, and we are delighted that the introduction of the levy has had such a positive impact on

behaviour already. It is noticeable that, in some areas, there is evidence that some small retailers are opting out of the scheme due to what they perceive as prohibitive administrative arrangements and are no longer providing bags for their customers at all. Therefore, we are keen to ensure that adequate information is given to retailers, particularly in relation to the packaging of loose food items to overcome any confusion about bags for food safety purposes.

NILGA has been and continues to be broadly supportive of the proposal to extend the scheme to cover reusable bags, as is the case in the Republic of Ireland. I also highlight our view that funds raised through the scheme must not be used as a replacement for DOE budget shortfalls. We recommend that funds raised should be used to monitor existing waste streams and to track new waste streams to assist in the development of the robust evidence base for future waste management work. As the Committee will know from my previous meeting with you, there are serious concerns in local government about the lack of evidence base for departmental waste policy.

I will now hand you over to Karen, who will discuss our request for an extension of the proposed legislation and comment on the clauses.

Ms Karen Smyth (Northern Ireland Local Government Association): Thank you. As per our written submission, it is NILGA's view that the further legislation should be used to introduce the requirement for all plastic bags to be biodegradable and to further develop the retail take-back services for packaging. We respectfully request that the Committee considers formulating amendment clauses to the Bill to achieve those proposals, although it is noted that they would not be without complication for councils. For example, the implementation of biodegradable bags would require careful communication to the public regarding disposal. The other consideration is that any take-back schemes would require closer working between the retail sector and councils to advance recycling rates together rather than in isolation.

NILGA is broadly supportive of clause 1, although one of our member councils has queried the application of the Bill to paper bags. In relation to clause 2, we note that the Minister stated his intention to maintain the levy at the current level for the foreseeable future. Given the concern that some of our members have expressed about a potential increase, NILGA is content with that proposal. Given, however, that any increase would need to be made through regulation anyway, it is suggested that the clause be retained to, effectively, future-proof the Bill in the face of what is currently an unclear economic picture.

NILGA is broadly supportive of clauses 3 and 4. In relation to clause 5, we encourage the Department to liaise closely with the retail sector to ensure that the requirements are practical and achievable. In relation to clause 6, we encourage the Department to liaise closely with the retail sector to ensure that the requirements are easily understood by and well communicated to retailers. One of our member councils suggested that there should be an upper limit to the price of bags.

We are broadly supportive of clauses 7 and 8. Clause 9 is about review. We are particularly keen for the Department to explore how the introduction of charging for bags for high-end retail items, such as clothes and shoes, is being perceived and implemented. We have no comment to make on clause 10.

That is our presentation, Chair.

Councillor Gallagher: You will be glad that it was short.

The Chairperson: Thank you very much. You put forward a very interesting idea about biodegradable bags. However, there is obviously a cost element to it. I am sure that it would be a lot more expensive to produce biodegradable bags than ordinary plastic bags.

Ms Smyth: I am not across the detail of the costs of production. Purely from a disposal point of view — obviously, councils deal with disposal — it would be much more effective in the long term for what we are trying to achieve, which is to remove waste from the landfill stream, if we had biodegradable bags.

The Chairperson: Obviously, councils give out biodegradable bags for food waste.

Ms Smyth: Yes.

Mr Weir: In light of your comments, I will ask just one question. Concerns have been raised about the timescale for implementation. Previously, when this was brought in, there was quite a large lead-in, and it was an easier message to sell initially with regard to reusable bags: in phase 1, we are charging for single-use bags and consumers need to use reusable bags. However, as well as broader implementation issues, this may be a tougher sell, and it may seem a bit counterintuitive.

We are getting contradictory views. There seems to be a very limited amount of evidence-based information. If NILGA has any evidence, even from other jurisdictions, on the impact of consumer behaviour where there has been a levy on reusable bags, it would be helpful if that could be sent on to us. However, that evidence may not exist. We are concerned that we are getting contradictory evidence on consumer behaviour. There is a concern that a lot of this is based on both sides of the argument, and some of that may be based on supposition rather than evidence.

Councillor Gallagher: Certainly, Peter. We can look into that. We do not have it all to hand. As you know, with this, as with every other aspect of environmental issues, there are experts on all sides. However, NILGA can certainly find that out.

Ms Smyth: With regard to the timescale, one of the key concerns about the initial introduction of the previous Act was to ensure that it was well communicated to the public and the retailers. That took time, and it is still working its way through. If the Committee decides that a longer timescale is necessary, NILGA would not be concerned about that. It should be based on what is practicable and achievable. There is a fear that people will use the reusable bags as disposable bags. It is really important to get that message and that culture change across.

With regard to the evidence base for any of this, it is all quite new policy. There should be some more evidence available, potentially, from the South. I will endeavour to get that for the Committee, if it is available. I would not hold out too much hope for evidence from across the water, but I will see what is available from other jurisdictions in Europe.

Councillor Gallagher: The one thing not to be lost in this whole debate is how popular the scheme is.

The Chairperson: Absolutely. It has been very successful.

Councillor Gallagher: The general public have signed up to it.

The Chairperson: You see people carrying stuff to their car rather than pay 5p for a bag. That shows how tight and how cost-conscious we are.

Ms Brown: Thank you for your presentation. To go back to the point that the Chair made on your suggestion of using biodegradable plastic bags, I think that that is very interesting. It is the first that I have heard of that. My first concern would be the confusion with recycling. A lot of people should be used to using their biodegradable bags for their food waste and getting to grips with that. However, I still see merit in the idea. You could easily design the bag to be very similar in looks or colour to what people use for their food waste. Hopefully, that would not cause too much confusion. I think that it is a very interesting idea and something that should definitely be looked at.

Councillor Gallagher: On that point, I think that the Committee should be challenging the major retailers — the likes of McDonald's and others — on this by saying to them openly, "Yours are the products that we pick up as local councils. We are cleaning them up." The challenge should be put down to the retailers. I have no doubt that, whoever does it first, will be very popular. The recent advances in packaging are enormous. I am led to believe that the major chains are not far off from developing biodegradable packaging for food. It might do no harm for the Committee to ask the retailers politely where exactly they are at. We believe that it is something that could be introduced in the future.

The Chairperson: Obviously, you cannot have reusable bags that are biodegradable.

Councillor Gallagher: No.

The Chairperson: You cannot keep them forever.

Councillor Gallagher: You will find that there is a market for everything. They will be used.

The Chairperson: Yes, for other things.

Councillor Gallagher: If they introduce the packaging side of it at the same time, that could have a major impact, for example, on landfill and recycling. We must all come together on this. In fairness, we are starting to put in the infrastructure for recycling in Northern Ireland. Our rates of recycling are going up and we want to encourage that.

The Chairperson: I take your point too, Karen, about the take-back services for packaging. That is more for them to reuse, and it furthers the idea of social responsibility, does it?

Ms Smyth: It would be very much linked to the producer-responsibility aspect of waste management. I know that some of our waste officers actually leave packaging in supermarkets, when they are buying their groceries. So, that practice has started.

In relation to the bags themselves and biodegradable bags, the Committee needs to take cognisance of other uses of the bags. It is not just about bringing your shopping home. There is a practice that is quite prevalent in households of using those bags as bin liners.

The Chairperson: Yes. We all do that.

Ms Smyth: We must look at that continuity of use and decide what material the bags are best made from.

Councillor Gallagher: The other point is that there are job opportunities in the bringing back of major packaging. If you are major electrical retailer, and you send out all that packaging with, for example, a TV, which has to be packaged to be kept intact, the same material that you use for packaging is a major resource on the recycling market. So there is an opportunity for that company in home deliveries, or it could subcontract the service. They would unpack the TV in your living room, and then take away the packaging, recycle it, and get the revenue from it.

The Chairperson: Absolutely. So much is thrown away and wasted. OK. Are there no more questions? Thank you very much, Shaun and Karen. Thank you for coming.

Councillor Gallagher: Keep up the good work.

The Chairperson: Thank you.