

Cynulliad Cenedlaethol Cymru <a href="#">Pwyllgor Amgylchedd a Chynaliadwyedd</a>	National Assembly for Wales <a href="#">Environment and Sustainability Committee</a>
Egwyddorion cyffredinol <a href="#">Bil yr Amgylchedd (Cymru)</a>	General principals of the <a href="#">Environment (Wales) Bill</a>
Ymateb gan Consortiwm Manwerthu Prydain	Response from Welsh Retail Consortium (WRC)
EB 44	EB 44





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## **Inquiry into the general principles of the Environment (Wales) Bill – Evidence from the Welsh Retail Consortium (WRC)**

### **1 Introduction**

- 1.1 The Welsh Retail Consortium (WRC) is the authoritative voice of the retail industry in Wales, from independents to large multiples.
- 1.2 The WRC leads the industry and works with its members to shape debates and influence issues and opportunities that will help make that positive difference. We care about the careers of people who work in our industry, the communities retail touches and competitiveness as a fundamental principle of the industry's success – our 3Cs.
- 1.3 Our members have been at the forefront of initiatives to improve resource efficiency and reduce waste, as demonstrated through the *A Better Retailing Climate* initiative. In January 2013 our sister organisation the British Retail Consortium (BRC) published a [comprehensive report](#) detailing progress across a range of issues including reducing waste and packaging and helping consumers make more sustainable choices. This document also contained a new set of targets and commitments to 2020 agreed by retail signatories. A [2014 progress update](#) was published in January 2015.

### **2 Executive summary**

- 2.1 This submission focuses on the proposals in part 3 of the Bill regarding carrier bags and makes the following key points
  - The Welsh levy for single use carrier bags is a success and has dramatically reduced single use carrier bag usage.
  - The purpose of the original charge and regulations was to create a small behavioural nudge in the right direction commensurate with the relatively low impact of carrier bags. The relatively small scale of impact of carrier bags does **not** warrant aggressive legislation.

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- Extending the levy to reusable bags is counter intuitive and indeed could drive customers back to using single use bags.
- Increasing and extending the levy jeopardises public goodwill towards this initiative and is likely to cause confusion.
- If implemented, there will be a considerable cost to our members.
- The Northern Ireland experience suggests that there is no environmental benefit from extending the charge to reusable bags.

### **3 Success of the Welsh levy for single use carrier bags**

- 3.1 Given the success of Welsh single use carrier bag charge in terms of public support and environmental impact, there is no reason in our opinion to extend the levy to plastic reusable bags for life. We do not believe that extending the carrier bag charge will add anything to the existing regulations in improving the environment. In fact, rather than encouraging customers to reuse bags they might just revert to purchasing single use bags, reversing the progress made in Wales.
- 3.2 One of our supermarket members reports a reduction of over 90% in single use carrier bags in its stores in Wales. This reduction has been accompanied by an increase in sales of all reusable bags as customers adjust to the levy. Additionally, this retailer reports that at times when customers forget their bags, or purchase more than the bags they have can hold, an inexpensive reusable bag is their usual preferred option.
- 3.3 It is important to remember that the purpose of the original charge and regulations was to create a small behavioural nudge in the right direction commensurate with the relatively low impact of carrier bags. The relatively small scale of impact of carrier bags does not warrant aggressive legislation.

### **4 Extending the levy to reusable bags is counter intuitive**

- 4.1 We welcome the fact that the Welsh Government intends to continue to monitor the amount of reusable plastic carrier bags distributed in Wales and would not use the proposed extended enabling powers unless the sale of reusable bags continues to rise and outstrip sales growth. However we do not believe that a mandatory charge on low cost reusable plastic bags is appropriate as it will penalise customers for doing the right thing and being environmentally conscious.
- 4.2 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.
- 4.3 There is no evidence available to suggest that extending the levy will have any further environmental impact. In fact, extending the levy to reusable bags may have the following unintended consequences:
- **Encouraging consumers to revert to purchasing single use bags** – which calls into question the purpose of the initial single use carrier bag levy and its success to date in

reducing the number of single use bags distributed. Some retailers have removed single use carrier bags from their stores and, in order to remain competitive against their competitors in terms of being able to provide a low cost bag option, would consider reintroducing them if the 5 pence charge is extended to low cost reusable bags.

- **Forcing customers to purchase more expensive and more durable reusable bags.** While reuse of these more durable bags is a positive behaviour, it is worth nothing that they need to be used far more than a low cost reusable bag in order to offset their carbon footprint. An Environment Agency study 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 at least 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<sup>1</sup>.

4.4 If a charge for low cost reusable bags 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.

## 5 Costs to retailers

5.1 If the carrier bag levy was to be extended reusable bags, introducing it would come at considerable cost to our members' businesses, for example in terms of IT and unique bag bar-coding for Welsh stores.

## 6 Experience in Northern Ireland

6.1 One member states that it currently goes beyond the requirements of the carrier bag charge in Wales and donates the proceeds of its bag for life (low cost reusable bags) scheme and its range of reusable bags to good causes. However, this is not the same as donating 5p from each bag for life because they are more expensive to source and replace. When the Northern Irish charge was extended to cover bags sold for less than 20 pence in January 2015, this retailer had to increase the price of a bag for life to enable it to comply, making it uncompetitive with a single-use bag.

6.2 Extension of the single use carrier bag charge creates a 'dominoes' effect, in that increasing the price of any bag makes the next bag up look attractive. One member reports that since the extension of the charge in Northern Ireland, bag for life usage has reduced by 50% but the more expensive re-usable bags have gone up by roughly the same amount.

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<sup>1</sup> Environment Agency. Life Cycle Assessment of Supermarket Carrier Bags Report: SC030148

6.3 Another member reports that customer usage of single use bags and bags for life in Northern Ireland is reverting towards the same sort of levels experienced prior to the charge coming into effect.

6.4 In conclusion the Northern Ireland experience suggests that there is no environmental benefit from extending the charge to reusable bags.

## **7 Profits from the sale of carrier bags**

7.1 We welcome the fact that should Ministers choose to make regulations requiring retailers to pass on the net proceeds from the 5 pence carrier bag charge, these regulations would enable retailers to pass on proceeds to any type of good cause rather than restricting them to environmental good causes in particular.

7.2 However, we believe that the current voluntary code is the appropriate approach and is working well. We are keen to work with our members and the Welsh Government to ensure that the voluntary code continues to be effective.

## **8 Collection and Disposal of Waste**

8.1 The concern here is whether retailers will have to physically separate these streams of waste at store – this can be an issue for smaller stores where space is very limited. We would welcome confirmation on whether it is acceptable for the waste contractor to collect these streams as comingled recycling separated from general landfill waste. This comingled recycling can then be sorted at the first level Materials Recovery Facility (MRF).