

The Senate

Environment, Communications,
Information Technology and the Arts
Legislation Committee

Plastic Bag Levy (Assessment and Collection) Bill
2002 [No. 2] and the Plastic Bag (Minimisation of
Usage) Education Fund Bill 2002 [No. 2]

November 2003

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Chapter 1

Introduction

Referral and conduct of the inquiry

1.1 On 5 March 2003 on the recommendation of the Selection of Bills Committee, the Senate resolved that the Plastic Bag Levy (Assessment and Collection) Bill 2002 [No. 2] and the Plastic Bag (Minimisation of Usage) Education Fund Bill 2002 [No. 2] be referred to the Committee for report by 7 October 2003. Senator Bob Brown had introduced the bills into the Senate on 21 October 2002. Identical bills were introduced into the House of Representatives by Mr Peter Andren MP on the same day.¹

1.2 The Committee invited submissions on the bills via a series of advertisements in *The Australian* between 26 March and 4 June 2003. It also wrote direct to a number of organisations to invite submissions. The Committee received 274 submissions, as well as six supplementary submissions, which are listed in Appendix 1. It held public hearings in Sydney on 15 August 2003 and in Melbourne on 19 September 2003. A list of witnesses who appeared at the hearings is shown in Appendix 2. In the course of the hearings witnesses tabled a number of documents and other material for the information of the Committee. These exhibits are listed in Appendix 3.

1.3 The Committee thanks all those who assisted in its inquiry by preparing submissions and by appearing at the hearings.

The bills

1.4 The bills essentially provide for the imposition of a levy on plastic bags, with any funds raised being used for the purpose of education about minimisation of plastic bag and other waste damage to the environment. Senator Brown indicated that his bills had been based on similar legislation introduced in Ireland in March 2002.

Plastic Bag Levy (Assessment and Collection) Bill 2002 [No 2]

1.5 Under this legislation, bags that would attract the proposed levy are:

- plastic carrier bags with handles which are designed for the general purpose of carrying goods purchased by consumers;

1 Mr Andren's bills have now been removed from the House of Representatives Notice Paper in accordance with Standing Order 104B (any private Member's business not called on on any of the next eight sitting Mondays, shall be removed from the Notice Paper by the Clerk).

- plastic flat bags constructed with no gussets or handles which are designed for the general purpose of carrying goods purchased by consumers; and
- plastic refuse bags designed for the general purpose of carrying waste.

1.6 In order to take account of health and other issues, the Plastic Bag Levy (Assessment and Collection) Bill provides exemptions to the levy as follows:

- plastic bags used solely to contain uncooked or cooked meat or meat products, poultry or poultry products, fish or fish products, cheese or dairy products, fruit or vegetable products or baked goods or bread.

1.7 Other exemptions are:

- any food packaging used for in-room patient care at hospitals, nursing homes or not-for-profit nutritional assistance programs such as meals on wheels or similar home food delivery services; or
- any paper or other cellulose-based packaging that is coated with polyethylene plastic on only one side.

1.8 The Plastic Bag Levy (Assessment and Collection) Bill provides for the levy to be paid by the retailer who must pass the charge on to the customer for any retail transaction involving non-exempted plastic bags. The amount charged must be itemised on any invoice, receipt or docket issued by the retailer. These provisions ensure that the levy is transparent to customers as a means of raising awareness about plastic bag usage and to discourage people from accepting the bags.

1.9 Retailers are required to provide a return to the Commissioner of Taxation, and must also keep a record of plastic bags in stock before the commencement of the Act as well as the amount acquired by them in each accounting period. This information needs to be made available for perusal by the Commissioner, who will have general administration of the Act. Both the returns and records are to be retained for at least six years and regulations will set the time that the levy will become due for payment to the Commissioner by retailers.

1.10 Other provisions in the bill concern procedures in relation to late payments and recovery of unpaid levy monies. Additionally, the bill specifies that the Taxation Commissioner will present a report to the Parliament each year on the amount of levy assessed under the Act as well as details of the operation of the Act during the preceding year.

Plastic Bag (Minimisation of Usage) Education Fund Bill 2002 ***[No 2]***

1.11 The Plastic Bag (Minimisation of Usage) Education Fund Bill 2002 establishes a fund (the Plastic Bag and Other Waste Minimisation of Usage and Education Fund) for the purpose of education about minimisation of plastic bag and other waste damage to the environment and for related purposes.

1.12 Monies as are appropriated by the Parliament for the purpose of the fund would be credited to the fund and expenditure of the monies would be made on the authority in writing of the Minister for the Environment and Heritage. The bill specifies that expenditure must be for the purposes of educating persons about or effecting minimisation of:

- the damage and pollution caused to the land environment and aquatic environment by plastic bags; and
- the damage and dangers posed by plastic bags to wildlife and marine life.

1.13 The bill also provides for the Minister to present to Parliament a report on expenditure of monies credited to the fund, including statements of all expenditure from the fund.

Constraints on the legislation's passage

1.14 A third component of the legislative package is the Plastic Bag Levy Imposition Bill 2002. Passage of this bill would be critical to the functioning of the legislative package because it would enable the imposition of the proposed levy referred to in the two other bills, and it would also declare the rate of that levy.²

1.15 However, section 53 of the Constitution³ prevents a Senator from introducing such a bill and therefore Senator Brown simply tabled the Plastic Bag Levy Imposition Bill 2002 in the Senate, rather than introducing it as a bill. As he explained at the Sydney hearing:

... the Senate cannot impose a levy and so it is not stated in the legislation. It has to come from the government. The idea would be that, if the legislation were to pass the Senate and go to the House of Representatives, where the government has the numbers, and the government were favourable then it would impose the levy. That is a constitutional matter. So it is inherently there but it is not stated. That is a matter for the House of Representatives.⁴

1.16 In the House of Representatives, standing order no. 293 prevents a private member from introducing a proposal for the imposition of a tax and, accordingly,

2 The amount specified is 25 cents. This is on a par with the Irish levy that was imposed at €0.15 which is approximately 27 cents. The Nolan-ITU report estimates that a 25 cent levy would produce an approximate 85 per cent reduction in plastic bag use.

3 Section 53 states that: 'Proposed laws appropriating revenue or moneys, or imposing taxation, shall not originate in the Senate.'

4 Senator Brown, *Official Committee Hansard*, Sydney, 15 August 2003, pp 21-22.

Mr Andren also simply tabled the Plastic Bag Levy Imposition Bill 2002 in that Chamber.⁵

1.17 Therefore, even if notionally ‘passed’ by the Senate, it would be a matter for the Government to formally introduce the legislation into the House by the Government for it to have any prospect of enactment.

1.18 At the same time as the Committee was undertaking its inquiry the Environment Protection and Heritage Council (EPHC), which consists of the Federal, State and Territory Ministers for the Environment, was also considering the plastic bag issue. In December 2002, the Council had agreed to a package of measures to reduce plastic bag use. One of these was the endorsement of an Australian Retailers Association voluntary code of practice for the management of plastic bags, which was finally agreed to by the EPHC on 1 August 2003, with a formal acceptance date of 2 October 2003. The acceptance of this Code precludes the introduction of regulatory measures, including a levy, at this stage.

1.19 In summary, although the Committee continued to inquire into Senator Brown’s two bills in accordance with the Senate’s resolution, the policy decision had already been made at a national governmental level not to follow the legislative option for minimising plastic bag use.

The report

1.20 As the discussion in Chapter 2 indicates, in the course of its inquiry the Committee heard wide-ranging evidence on the subject of plastic bags. It is anticipated that the submissions and hearings will in fact provide a wealth of valuable information to contribute to a more informed public debate. However, in this report the Committee focuses only on the main arguments in relation to the proposed legislation as contained in its terms of reference from the Senate. For more comprehensive background information on plastic bags, their usage and available options for their management, the following two documents have proved to be invaluable to the Committee’s inquiry and are recommended reading: the Nolan-ITU Report⁶ and the report of the National Plastic Bags Working Group.⁷

1.21 Accordingly, Chapter 2 only briefly outlines the issues raised in evidence in relation to plastic bags in general before critically examining the arguments about the proposed levy as contained in the legislation under inquiry.

5 Standing Order 293 states: ‘A proposal for the imposition, or for the increase, or alleviation, of a tax or duty, or for the alteration of the incidence of such a charge, shall not be made except by a Minister.’

6 *Plastic Shopping Bags – Analysis of Levies and Environmental Impacts*, Environment Australia, Nolan-ITU Pty Ltd, Final Report, December 2002.

7 *Plastic Shopping Bags in Australia*, National Plastic Bags Working Group, Report to the National Packaging Covenant Council, 6 December 2002.

Chapter 2

DISCUSSION

The plastic bag issue is the first environmentally motivated packaging issue to capture public interest on a mass scale. The way that the plastic bag issue is addressed will set a precedent for the way other environmentally driven issues are dealt with in the future.

This issue will set a precedent for retailers and manufacturers as corporate citizens. It will show how willing they are to make decisions considering [an] holistic view of business, community and environmental imperatives.

This issue will also set a precedent for shoppers. It will prove how far government and other stakeholders can reasonably expect to collaborate with retailers before having to rely on government intervention to force retailers to take the actions that the community requires of them as corporate citizens.¹

Plastic bags in Australia

2.1 According to Nolan-ITU, Australia uses 6.9 billion² plastic bags per year, of which an estimated 50-80 million enter the environment as litter annually.³ This is estimated to be 2.02 per cent of all items in the litter stream. Less than 3 per cent of plastic bags are recycled. They are Australia's highest volume 'add-on' packaging designed as a single use or disposable product and are not necessarily essential to product integrity. Approximately 53 per cent are distributed from supermarket outlets, while 47 per cent come from other retail outlets such as fast food shops, liquor stores, and general merchandising.

2.2 Consuming approximately 36,850 tonnes of plastic, plastic shopping bags comprise only a small percentage of the total amount of packaging used in Australia each year, which is estimated at 3 million tonnes.⁴ The Committee found that while its inquiry was focused on the plastic bag issue, it became difficult to separate it from the wider issues relating to packaging waste more generally.

1 Clean Up Australia, Submission 237, p 4.

2 1 billion = 1,000 million

3 Environment Australia, Department of the Environment and Heritage, *Plastic Shopping Bags — Analysis of Levies and Environmental Impacts*, Final Report, December 2002, Nolan-ITU Pty Ltd, pp 1 and 8.

4 Environment Australia, Department of the Environment and Heritage, *Plastic Shopping Bags — Analysis of Levies and Environmental Impacts*, Final Report, December 2002, Nolan-ITU Pty Ltd, p 2.

2.3 In Australia, two main types of plastic bags are used in the retail sector: the ‘singlet’ type bag made of high density polyethylene (HDPE); and the ‘boutique’ style bag, made of low density polyethylene (LDPE).

2.4 The HDPE singlet bag is usually a non-branded bag, used mainly in supermarkets, take-away food and fresh produce outlets, but also in smaller retail outlets such as service stations and newsagents. It is the focus of the Australian Retailers Association code of practice referred to in Chapter 1. In contrast, LDPE boutique style bags are generally branded and are used by stores selling higher value goods, such as department stores, clothing and shoe outlets.

2.5 Of the 6.9 billion plastic shopping bags used in Australia in 2001, approximately 6 billion were HDPE bags and 900 million were LDPE bags.

Submissions

2.6 The vast majority of submissions overwhelmingly expressed support for a levy on plastic bags as a means of reducing the number of plastic bags used. However, many submissions were single lines of text or were based on a form letter. Only 11 submissions were opposed to a levy, and ten did not express either support or opposition. Very few submissions specifically addressed provisions in the bills.

Issues raised in submissions

2.7 Submissions canvassed a wide range of issues. Areas covered included:

- marine debris, effects of bags on wildlife, ecosystems and the environment;
- stormwater issues, damage to filtration systems from plastic bags, effects of plastics more generally, the benefits of container deposit legislation, extended producer responsibilities, a plastic bag ban;
- the international experience of plastic bag levies, the local experience of bans and charging for plastic bags, the levy as an educative tool that would encourage people to think about the environment and the impact of their actions, benefits of a levy higher than 25c, the need for other strategies in combination with a levy;
- training of supermarket packers, the need for alternatives to plastic bags at cheap prices, Bagstands, the role of supermarkets in discouraging the use of alternatives, lack of transparency in the cost of plastic bags which encourages their overuse, a need for reconfiguration of checkouts and trolleys, difficulties of small supermarkets ‘going-it-alone’ to introduce a levy;
- profligacy of society, over-packaging of goods, litter, wastage, need for more composting and recycling by households to reduce number of bags required for bin liners;
- plastic bags as a contaminant in kerbside recycling bins;
- release of dangerous chemicals when plastic bags degrade, use of biodegradable bags;

-
- uses for the funds raised by a levy;
 - recycling; and
 - additional research into alternatives and other uses for petroleum by-products.

What is the problem with plastic bags?

2.8 Concerns about plastic bags essentially fall into two categories. First is the issue of litter and the adverse effect that some 50 to 80 million littered bags have on the environment. Second is the issue of the sheer numbers of bags that are used once and sent to landfill, with the underpinning philosophy that minimizing the number of plastic bags used is a desirable goal in its own right. It should be stressed that some witnesses considered that this second issue was of lesser significance than the first and that if appropriate steps were taken to address the littering issue, the plastic bags problem would be largely resolved.

Plastic bags in the environment

2.9 Because of their lightweight nature, plastic bags are easily transported by wind and water. This enables them to travel great distances and their poor degradability means that they remain in the environment for a long time. In addition to bags that are littered, many enter the environment after more appropriate disposal but they escape from litter bins, garbage trucks and from landfill sites. Rain and wind carry bags from city streets and built-up areas to waterways, beaches and ultimately to the sea.

2.10 Plastic bags do not readily break down in the environment. Therefore the number of bags in the environment is, in effect, cumulative with Australia adding to the total each year by approximately 80 million.

2.11 Plastic bags are a very visual form of litter that get caught in trees and fences, and line roads and paths, leading to a loss in visual amenity. They can be ingested by livestock, as well as by wildlife. If an animal dies from its encounter with plastic, including plastic bags, the body decomposes and the plastic becomes available for ingestion by, and entanglement of, other creatures.

2.12 The Committee received evidence about the effects on wildlife of plastic debris in general, and plastic bags in particular⁵ with estimates of more than 100,000 marine mammals and 700,000 sea birds dying each year from encounters with plastic marine debris.⁶ Some witnesses considered that the threat to marine life from plastic

5 *For example:* Whale and Dolphin Conservation Society, Submission 152; Tryphena McShane, Submission 163, p 2; Humane Society International, Submission 191; International Fund for Animal Welfare, Submission 201 *and Official Committee Hansard*, Sydney, 15 August 2003, pp 2-12; Project Jonah, Submission 260; *and* Mr Michael Short, Submission 272 *and Proof Committee Hansard*, Melbourne, 19 September 2003, pp 1-11.

6 Mr Michael Short, Submission 272, p 4. *Also* Ms Sunner, Submission 54.

bags is overstated and because the bags comprise such a small proportion of harmful marine debris, measures solely targeting plastic bag litter will have little effect overall on animal injuries and fatalities.⁷

2.13 The Committee considers it important that all forms of marine debris are addressed and it notes that in August this year, the Minister for the Environment and Heritage listed injury and fatality to vertebrate marine life caused by ingestion of, or entanglement in, harmful marine debris as a key threatening process. Plastic bags are included in the definition of harmful marine debris.

2.14 However, the evidence presented by Mr Michael Short, an officer of the Queensland Parks and Wildlife Service, was disturbing. He considered that the impact of plastics, including plastic bags, is understated because many animals would die at sea.⁸ Of those that are washed up, only a small proportion of carcasses would be analysed through necropsies.⁹ Additionally, it is only now that people performing such necropsies are examining animals' digestive tracts for plastic material.¹⁰

2.15 Mr Short argued, as did several other submitters,¹¹ that the benefits of a levy on plastic bags would lie not only in dramatically reducing the number of plastic bags used and subsequently littered, but would also play a valuable educative role:

I think that education of people in awareness of how wildlife are impacted is certainly a key point. For the Bryde's whale, depending on how you look at the figures, if you assume that about 12 per cent of that material [in the animal's stomach] was shopping bags and 74 per cent was other plastics, obviously the need to reduce plastic pollution goes far beyond just plastic shopping bags. So we really need to have a broader understanding in the community about how dropped plastic generally can get into the catchment systems and be washed into the sea and the like ...¹²

Additionally:

I think a key point is that [marine debris] is more than just shopping bags. There is a very large proportion of other types of plastics. Certainly I think the shopping bag issue is a very good one to start with but I also believe that

7 For example: Plastics and Chemical Industries Association, Submission 148, pp 3 and 4; Mr Fulton, Submission 174, p 1; Dr Heuvel-Gore, Submission 184; and Australian Retailers Association, Submission 245, p 8.

8 Mr Short, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 10.

9 Necropsies are examinations of bodies after death.

10 Mr Short, *Proof Committee Hansard*, Melbourne, 19 September 2003, pp 7-8.

11 For example: Ms McGrath, Submission 266, p 6.

12 Mr Short, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 5.

there will be a lot of spin-off in terms of people having a better understanding about plastics generally going into the environment.¹³

Plastic bags in landfill

2.16 The bulk of plastic bags are sent for disposal to landfill. This may occur directly after they are used for transporting purchases from shops, following reuse for other purposes, or by lining rubbish bins. Nolan-ITU estimates that annual plastic bag disposal to landfill is 6.67 billion units or approximately 36,700 tonnes per year.¹⁴ Many submissions raised concerns about a product that is designed to be used once and then thrown away, and in such large numbers. To many it epitomises an image of a wasteful society.¹⁵

A person's use of a plastic check-out bag can be counted in minutes – however long it takes to get from the shops to their homes. These bags, however, can last for hundreds of years.¹⁶

2.17 However, Mr Robert Joy, Chairman of the National Packaging Covenant Council suggested that this point is exaggerated:

Some of the arguments around the significance of the resource issues are grossly overblown. Issues relating to problems of landfill are, I think, largely wrong.¹⁷

2.18 Nevertheless, local government organisations in NSW submitted that plastic bags form a significant part of the putrescible waste stream. As such, they are a major cost to local councils' disposal services as a consequence of high landfill charges. They are also a significant contaminant in the product collected through the region's kerbside recycling services.¹⁸

2.19 Clean Up Australia argued that sending recyclable plastic bags to landfill is resource inefficient and contributes to passive littering via landfill blow off. It considered that the most resource efficient solution is to keep plastic bags out of

13 Mr Short, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 6.

14 Environment Australia, Department of the Environment and Heritage, *Plastic Shopping Bags – Analysis of Levies and Environmental Impacts*, Final Report, December 2002, Nolan-ITU Pty Ltd, p 8.

15 *For example*: Mr Wilkinson, Submission 15; Ms Leatch, Submission 69; Mr Glamorgan, Submission 76; Newcastle Greens, Submission 129; School Communities Recycling All Paper Ltd, Submission 131; The Uniting Church Earth Team, Submission 188; Dr McNaughtan, Submission 219; Ms Rothfield, Submission 255; Planet Ark, Submission 269, p 1; and Mr Wood, MLA, Submission 270.

16 Planet Ark, Submission 269, p 1.

17 Mr Joy, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 22.

18 Southern Sydney Organisation of Councils, Submission 206, p 3. Also KESAB environmental solutions, Submission 127, pp 3-4.

landfill and in the resource loop via recycling facilities provided at supermarkets nationally.¹⁹

Plastic bags as litter

2.20 Plastic bags comprise only a small proportion of total litter that enters the environment (approximately 2 per cent) and those that are littered comprise a small proportion of total bags used (approximately 2 per cent). The actual number of bags currently in the environment and the number littered annually is not known because, according to Nolan-ITU, there is no available data on the total size of the litter stream.²⁰

2.21 However, as there are such huge numbers of bags used each year, a small proportion of the total corresponds with large quantities of bags littered, and because of their material persistence, the amount of bags in the environment will increase over time.²¹

2.22 Littering can be either deliberate or inadvertent. Because of their light weight and propensity to inflate with wind, plastic bags are easily littered inadvertently and this may occur even when bags are appropriately disposed of, for example from litter bins, landfill sites and following animal disturbances to rubbish bins, especially around food outlets. The Planet Ark submission includes testimony in relation to the escape of plastic bags from a landfill site:

‘Plastic bags are without a doubt our biggest litter problem,’ says Ross Currie, director of the Twigg Group, which runs the Brooklyn landfill site near Sunbury. ‘No matter how neat you keep your landfill, they just drift everywhere. They’re really all that creates litter here. The very light supermarket plastic bags just blow away.’²²

2.23 The National Plastic Bags Working Group report estimates that between 50 and 80 million bags enter the environment as litter annually:

- 30-50 million bags littered away from home (both deliberate and inadvertent); and

19 Clean Up Australia, Submission 237, p 5.

20 Environment Australia, Department of the Environment and Heritage, *Plastic Shopping Bags — Analysis of Levies and Environmental Impacts*, Final Report, December 2002, Nolan-ITU Pty Ltd, pp 7-8.

21 *Plastic Shopping Bags in Australia*, National Plastic Bags Working Group, Report to the National Packaging Covenant Council, 6 December 2002, p 10.

22 Planet Ark, Submission 269, p 4.

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- 20-30 million bags inadvertently littered from waste management activities, landfill sites, and shopping centre bins.²³

2.24 Nolan-ITU suggests that the nature of many goods purchased and carried in plastic bags affects the end destination of both the product and the bags.²⁴ The destination of bags strongly affects their disposal destination, including recycling and reuse of the bags, as well as their littering potential. The three major destinations that have been identified are:

- home;
- away from home – outdoor; and
- away from home – commercial and industrial.

2.25 Outdoor use locations include take-away food areas, and picnic, camping and building sites. Indoor locations include businesses, offices, shows, exhibitions and other commercial areas.

2.26 The original destination of plastic bags may be to the home, but a proportion of these are reused and their ultimate destination may be determined by this secondary use. Outdoor use locations are considered to carry a greater possibility that the bags will be littered than indoor use locations.

2.27 Nolan-ITU estimates that approximately 20 per cent or less of bags utilised in outdoor away-from-home locations are littered, with the remainder of those littered coming from inadvertent litter sources through waste management activities.²⁵

Reducing plastic bags with a levy

2.28 The Committee accepts that littering is a blight and it considers that there are compelling reasons for reducing the vast numbers of plastic bags that are used in Australia. In the broadest sense, reducing the total amount of bags will lessen the amount flowing to the environment through greater use of alternatives. Additionally however, if a plastic bag is embodied with a value—whether that comes from a transparent charge or by increasing its scarcity—greater consideration is likely to be given to its disposal destination.

2.29 Short of banning plastic shopping bags, the Committee was told that the most effective options for reducing their numbers revolve around introducing a transparent

23 *Plastic Shopping Bags in Australia*, National Plastic Bags Working Group, Report to the National Packaging Covenant Council, 6 December 2002, p 10.

24 Environment Australia, Department of the Environment and Heritage, *Plastic Shopping Bags — Analysis of Levies and Environmental Impacts*, Final Report, December 2002, Nolan-ITU Pty Ltd, pp 5-6.

25 Environment Australia, Department of the Environment and Heritage, *Plastic Shopping Bags — Analysis of Levies and Environmental Impacts*, Final Report, December 2002, Nolan-ITU Pty Ltd, p 8.

charge on the bags. In this way consumers are provided with a price signal which would encourage them in the use of alternatives and would alert them to the issues of unrestrained use of the bags:²⁶

The trigger that leads to the consumer behaviour change is an economic signal to the consumer. Therefore, whether that comes about by an external levy, with funds going to government or to some other purpose, or whether it comes about by Bunnings, Ikea or Aldi doing what they have done, that is what triggers the change. If under the code of practice a pricing signal is given to consumers, there will be fundamental change in consumer behaviour—there will be a fundamental reduction in bag consumption.²⁷

2.30 The drive to introduce a levy on plastic bags stemmed from the experience in Ireland where a levy was introduced and took effect from 4 March 2002. Plastic bag usage was reduced by more than 90 per cent. According to Mr Gerry Allen, Chief Executive of Smurfit Irish Paper Sacks:

... what the levy has done is reduce from 14,000 tonnes the number of plastic bags used in Ireland. It has virtually gone down into the hundreds rather than the thousands now. Everybody now brings their woven bags to the shops. After we do our shopping, we leave the woven bags in the boot of the car.²⁸

2.31 Mr Allen told the Committee that the Irish levy has been so successful in its role of instigating behavioural change that the environmental fund established from levy monies collected has been under-funded.²⁹ The main source of monies for the fund is coming from sales of reusable plastic bags rather than from people continuing in their use of lightweight plastic shopping bags.³⁰ While thin plastic shopping bags are still an option for consumers in Ireland if they choose to pay the levy:

... peer pressure would make you ashamed to do your shopping and pay for plastic bags.³¹

2.32 Planet Ark provided the Committee with estimates of what might occur if a levy that replicated the results observed in Ireland were introduced in Australia:

Australia currently uses 6.9 Billion plastic check-out bags every year. If we reduced that by 90% like the Irish have done, then we would only be using

26 For example: Burnley Neighbourhood Centre, Submission 192; and Ms Dortins and Mr Wallman, Submission 231.

27 Mr Allan, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 30.

28 Mr Allen, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 12.

29 Mr Allen, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 14.

30 Mr Allen, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 12.

31 Mr Allen, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 12.

690 million plastic check-out bags every year. That's a reduction of over 6.2 Billion plastic check-out bags every year.

A 25 cent levy charged on these 690 million plastic bags would raise **\$172.5 million** a year towards environmental causes. Such monies could go towards the fixing up of Australia's salinity problems or providing free reusable shopping bags for every household etc.

According to Nolan ITU, it is estimated that Australia currently uses **390 million kitchen bin liners** every year. If like the Irish we increased the amount of kitchen bin liners being sold by 77%, then we would **only** be using an extra **300 million** kitchen bin liners every single year.

Using the above figures, even after you allow for this 300 million bag increase in kitchen bin liner sales, with a levy in Australia there would still be an overall **reduction of 5.9 Billion** plastic check-out bags every year. A 6.2 billion plastic check-out bag reduction versus a 300 million increase in kitchen bin liners

There would no doubt be additional increases in Australia of the number of garbage bags, nappy bags and dog poo bags etc being sold. However, as with Kitchen Bin Liners, the increases in the number of such bags being sold would be minor compared to the huge reduction in use of plastic check-out bags.

...

If Australia replicated the success of the Irish levy, Planet Ark estimates that the **overall** number of plastic bags being used could be reduced by up to **5 billion plastic bags every year**.³²

2.33 Some witnesses questioned the likely success of a levy in Australia and argued that differences between Irish and Australian societies would mean that Australian consumers may not respond to a levy in the same way as the Irish have done:

My understanding is that in Ireland people are less likely than they are here to go out and do one big shop a week; people go to the market in the High Street or down the road nearly every day, so it is one or two bags of things that they are carrying. This is different to the way most Australians tend to shop, which is a big shop once a week or once a fortnight. That is an important consideration. The behaviour of the individual shopper is different because they are carrying a different amount of goods.³³

2.34 However, when these claims were put to Mr Allen, he responded as follows:

32 Planet Ark, Submission 269, pp 7-8. [Emphases in original]

33 Ms Curtis, *Official Committee Hansard*, Sydney, 15 August 2003, p 65.

That is totally wrong. Any family with a couple of kids will always do one big shop a week and will do small pieces of shopping the same as anybody else. You will invariably do one major shop a week. I have been to Australia a number of times and I have been into the supermarkets. The Australian shopper and the Irish shopper are similar. I do not know where that is coming from.³⁴

2.35 Clean Up Australia pointed out that levels of littering and recycling differ between the two countries and this may affect the tools that can be brought to bear on the problem:

The situation in Ireland is different from Australia's. There are a couple of key factors. The level of litter of plastic bags in Ireland is 15 per cent of the litter stream; in Australia it is 2.2 per cent. The other major difference between Ireland and Australia is that Australia has a very substantial recycling infrastructure, and Ireland does not. Therefore, Australia has greater options in terms of addressing the issue.³⁵

2.36 Clean Up Australia does not favour a levy as a first option for the following reasons:

The primary reason is that we always operate with a positive and collaborative approach; working with all players and making sure all players take ownership of the issues and that it is not just left for one group to deal with. Plastic bags are the responsibility of the manufacturer, the retailer and the consumer just as much as they are the responsibility of the people who deal with the recycling of them. Introducing a levy will have some effects on businesses. ... Our primary concern are the administrative issues. If a levy is to be introduced, due consideration needs to be given to how it is addressed so that those things are streamlined to have minimal impact on small businesses, in particular.³⁶

Issues in relation to a levy

Administration costs

2.37 The Australian Retailers Association argued that the administration costs of a levy would be detrimental to retailers and could be on a par with those incurred when the GST was introduced.³⁷

2.38 However, Mr Peter Allan from Nolan-ITU told the Committee that discussions with retailers in both Ireland and Australia revealed that the administration of the levy was not a major issue for them:

34 Mr Allen, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 15.

35 Ms Read, *Official Committee Hansard*, Sydney, 15 August 2003, p 85.

36 Ms Read, *Official Committee Hansard*, Sydney, 15 August 2003, p 85.

37 Ms Hubbard, *Official Committee Hansard*, Sydney, 15 August 2003, p 47.

Their phrase was, ‘We are just effectively adding another product to our product line.’³⁸

2.39 Currently, some retailers may wish to charge for plastic bags but are prevented because of the potential competitive disadvantages.³⁹ By introducing a compulsory levy Australia-wide this would no longer be the case.

2.40 Certain costs for retailers will fall because fewer bags would need to be purchased to hand out to customers. Nolan-ITU estimates that retailers currently spend \$190 million across the industry for providing single use bags to customers free of charge.⁴⁰

2.41 From this viewpoint, Ms Henty considered that smaller retailers would welcome a levy:

A lot has been said about the big supermarket chains but I would also like to stress that, in my personal experience, small and medium-sized businesses would really welcome this because for them the overheads are a big part of their costs—the free plastic shopping bag is a big part of their costs. When I shop like this, [taking my own containers and carriers] at the markets, at strip shopping centres and so on, I get told that, if everybody did this, the goods would be a lot cheaper for everyone, and they often give me a discount as a result.⁴¹

2.42 The Australian Retailers Association estimates that the use of alternative bags will add three to five seconds to each purchase, increasing operating costs by over \$20 million per year for major retailers.⁴² However, in analysing costs involved if a levy were introduced, Nolan-ITU points out that transaction times may not increase at all, and additionally there will be a significant proportion of ‘no bag’ purchases that will reduce transaction times.⁴³

2.43 If administration costs were onerous for retailers, they could make the decision not to supply plastic bags at all and only carry alternative carriers for sale to customers. This would rule out any compliance costs and would be entirely in keeping with the philosophy behind a levy’s introduction.

38 Mr Allan, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 32.

39 *For example*: Ms Fuller, Submission 111; and Ms Fabb, Submission 120.

40 Environment Australia, Department of the Environment and Heritage, *Plastic Shopping Bags — Analysis of Levies and Environmental Impacts*, Final Report, December 2002, Nolan-ITU Pty Ltd, p 61.

41 Ms Henty, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 34. (Also Ms McGrath, Submission 266, p 6.)

42 Australian Retailers Association, Submission 245, p 9.

43 Environment Australia, Department of the Environment and Heritage, *Plastic Shopping Bags — Analysis of Levies and Environmental Impacts*, Final Report, December 2002, Nolan-ITU Pty Ltd, p 61.

Based on our experience with Coles Bay, where you have relatively smaller retailers who have banned the use totally of plastic checkout bags, I would say that, if the smaller retailers want to minimise compliance issues in relation to a levy, the reality is that they are more motivated and they are given an incentive to promote to their customers. If they are a smaller retailer they tend to know their customers better than a larger retailer. Therefore, they are in a better position to promote the reusable alternatives. They are in a position where they have a relationship with their customers to encourage them to use reusable bags instead of plastic bags, which they would have to pay a levy on. They can even make a joke out of it with their customers: ‘You give me paperwork if you get that plastic bag.’⁴⁴

2.44 Other administration costs would be incurred by the Australian Government Departments of Taxation and Environment and Heritage. However, the Committee only received limited information about this⁴⁵ and no estimate as to how much these costs would be.

Support of retailers

2.45 Despite the community support for a levy, it is clear to the Committee that large retailers do not support such an approach. An important aspect of introducing the levy in Ireland lay in fostering the support of retailers, and this undoubtedly contributed to its success. Clean Up Australia points out that:

If retailers do not commit to changing checkout practice and catering graciously to users of alternatives, people may choose to pay to use plastic bags rather than suffer the discomfort of checkout scorn.

It is imperative that shoppers with alternatives to plastic bags are served with the same courtesy and efficiency given to users of plastic bags. Training and education of staff to use alternatives must be undertaken with the same thoroughness as other profit-driven skill sets. Allowances for the acknowledged slower processing of alternatives must also be made.⁴⁶

2.46 The Committee endorses these sentiments.

Expertise and employment losses

2.47 Another area of concern is the impact that a levy would have on employment in the plastic bag industry. An important difference between Ireland and Australia is that Ireland had no plastic bags manufacturing industry which would have been affected by the levy’s introduction. In Australia there are two main plastic bag manufacturers: Detmark Poly Bags in Victoria; and S-Pak Australia Pty Ltd, in

44 Mr Dee, *Official Committee Hansard*, Sydney, 15 August 2003, pp 76-77.

45 *For example*, Mr Fulton, Submission 174, pp 1-2.

46 Clean Up Australia, Submission 237, p 3.

Queensland.⁴⁷ Qenos, in Melbourne, is the only Australian producer of HDPE and LDPE material for manufacturing bags.

2.48 While the Australian industry is responsible for only a small proportion of the total bags used in this country (33 per cent or 2 billion units of HDPE bags; and 75 per cent or 675 million units of LDPE bags), the Working Group estimates that approximately 400 full-time equivalents are employed in the whole process from manufacture of polyethylene to the production of bags.⁴⁸

2.49 Mr Michael Catchpole from the Plastics and Chemicals Industries Association (PACIA) told the Committee that the Australian industry could survive if there were a 50 per cent reduction in plastic bags and if there were a requirement for a higher recycled content,⁴⁹ as is mooted in the retailers code of practice. However, the anticipated reductions in bag use of between 90 and 95 per cent arising as a consequence of introducing a levy, would destroy the Australian industry, resulting in job losses as well as a loss of the expertise that has been achieved in developing technologies for viable means of recycling bags. Mr Malcolm Davidson, from Detmark Poly Bags which employs 45 people, stated that:

If Australian manufacturing is not supported we will lose all the knowledge and development we have. If we do not have a checkout bag industry, for instance, we will not develop this recycling. Who is then going to address the issues of recycling plastics in the future and finding ways to put them into other products? PGS processes quite a lot of film that goes into products other than checkout bags—things like agricultural pipe et cetera. There is huge potential to develop that. But if we start chopping off industry that is in the process of developing that market we will lose all the skills and knowledge and then we will never advance; we will never become a leader. We believe what we are doing here is not replicated anywhere else in the world.⁵⁰

2.50 While a levy on plastic bags would lead to job creation in alternative carrier production, companies such as Detmark Poly Bags with specifically tooled plant, would need to replace their equipment in order to manufacture a different product.⁵¹ Mr Davidson expected that any increase in demand for heavier duty, reusable plastic bags would be met by imports.⁵²

47 *Plastic Shopping Bags in Australia*, National Plastic Bags Working Group, Report to the National Packaging Covenant Council, 6 December 2002, p 9.

48 *Plastic Shopping Bags in Australia*, National Plastic Bags Working Group, Report to the National Packaging Covenant Council, 6 December 2002, p 9.

49 Mr Catchpole, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 45.

50 Mr Davidson, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 47.

51 Mr Davidson, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 46.

52 Mr Davidson, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 47.

2.51 The Committee considers that while the employment issue is a relevant consideration, it should not be the overriding reason to maintain Australia's usage of 6.9 billion bags each year, especially as most of these bags are imported. Additionally, there are ways of protecting the industry. For example, under the Australian Retailers Association code of practice, retailers commit to using HDPE bags containing domestic recycled content.⁵³ This is likely to directly benefit Detmark Pty Ltd which is now manufacturing plastic bags using a proportion of recycled content, by shifting overseas orders to this domestic company.

Impact on low income earners

2.52 The possible impact of a flat levy on people living on low incomes was raised:

One of the things which concerns me somewhat about a levy is the impact that it may have on low-income earners in terms of the net costs to them. Not only would this be occasioned by the fact that presumably they would have to buy durable bags which may or may not, depending upon the charging system, cost more than the lightweight plastic bags, which already have hidden costs embedded in them; there is also the issue of purchasing kitchen tidy bags and things of that sort to take up the role currently played by the reuse of the many plastic bags which people get from supermarkets.⁵⁴

2.53 As numerous submissions pointed out, people would not pay any levy if they brought their own carriers to the shops.⁵⁵ In addition, the Committee notes submitters' suggestions that added protections for low income earners could be taken. For example, a certain amount of free reusable bags could be issued to health care card holders and the cost of such an exercise could be met by the Environment Fund established in conjunction with the levy.⁵⁶

Bin liners

2.54 Paragraph 4(c) in the Plastic Bag Levy (Assessment and Collection) Bill 2002 includes bin liners in the definition of plastic bags that will attract the levy. The Committee has concerns that this falls outside the scope of the object clause which states that the bill is to provide for the assessment, collection and administration of a levy on plastic bags where *they are used at retail points of sale* [emphasis added].

2.55 If people choose not to pay the levy on supermarket check out bags it is likely that they will then need to purchase special purpose bags for a variety of reasons (for example, bin liners, freezer bags, sandwich bags, bags to contain dog excrement etc). It seems excessive to charge an additional impost on top of the purchase price of these

53 Australian Retailers Association Code of Practice for the Management of Plastic Bags, 9 October 2003, p 4.

54 Mr Joy, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 20.

55 *For example*: Ms McGrath, Submission 266, p 7.

56 Mr Boulet, Submission 61.

goods and it is not clear why only bin liners and not other special purpose bags should attract the levy.

2.56 Additionally, the plastic bag levy is designed to be an avoidable charge to encourage people to reuse bags and alternatives, whereas a levy imposed on special purpose bags cannot then be avoided by purchasers of such products.

2.57 The current high use of carrier bags can be attributed to the fact that they are thought to be free by the customer. Once people pay a transparent price for bags, as they would for special purpose bags, the product attracts a perceived value and most people will become more considered in their use of it. For example, Planet Ark points to the additional incentive for Australians to fully utilise the recycling services that are available in order to reduce the amount of garbage they put out for kerbside collection so as to use fewer, purchased bin liners.⁵⁷

2.58 For these reasons the Committee does not consider that it is necessary to levy plastic bin liners as required under paragraph 4(c).

2.59 Other issues were raised in relation to bin liners. The ACCI suggested that following the introduction of the levy in Ireland, the amount of larger plastic bags being sold increased dramatically.⁵⁸ However, evidence received by the Committee shows that in Ireland, while sales of bin liners increased, it was from a very low base, and so the use of statistics showing percentage increases in bin liner sales is misleading. Overall, the total volume of plastic bags that were used following the introduction of the levy was still substantially less than prior to the levy.⁵⁹

When we looked at the figures we found that the 90 per cent reduction in the Irish levy meant they were using 1.15 billion fewer plastic bags, but the 77 per cent in the use of kitchen bin liners meant that only an extra 70 million plastic kitchen bin liners were being used, so they still had an overall reduction of a billion plastic bags.⁶⁰

2.60 Planet Ark also pointed out that general recycling rates in Australia are significantly higher than those in Ireland. Therefore, the percentage increase in Australian kitchen bin liner sales (due to a levy introduction) could well be less than Ireland as fewer bin liners are required because more waste is recycled.⁶¹

57 Planet Ark, Submission 269, p 8.

58 Ms Curtis, *Official Committee Hansard*, Sydney, 15 August 2003, p 65.

59 Planet Ark, Submission 269, pp 6-7; and Environment Australia, Department of the Environment and Heritage, *Plastic Shopping Bags — Analysis of Levies and Environmental Impacts*, Final Report, December 2002, Nolan-ITU Pty Ltd, p 24.

60 Mr Dee, *Official Committee Hansard*, Sydney, 15 August 2003, p 75.

61 Planet Ark, Submission 269, pp 7-8.

2.61 Mr Philip Dahms, an officer of the Woollahra Council who appeared in a private capacity, raised concerns that there is no effective alternative for a plastic bin liner.⁶² He considers that a levy on plastic bags would act as a disincentive against garbage bin cleanliness, liquids containment and aroma control because plastic checkout bags are routinely used as bin liners:

A bin liner is designed for the containment of putrescible and non-putrescible waste, to be unaffected by and impermeable to liquids and temperature stable for periods between collections which can commonly be up to two weeks.⁶³

2.62 Additionally, he posited that the NSW waste strategy that aims to divert 66 per cent of residential source waste away from landfill will require a doubling of impermeable containers used, such as plastic bags, in order to segregate residual kitchen waste.⁶⁴

Paper bags

2.63 Some witnesses were concerned that introducing a levy would mean that plastic bags would be replaced by paper bags which may potentially have a larger environmental footprint,⁶⁵ whereas plastic bags are manufactured from a by-product of the oil and gas industries that would require alternative methods of disposal if plastic bag use decreased.⁶⁶ However, in relation to the Irish experience, Nolan-ITU found that despite paper bags being levy free, these had not replaced plastic shopping bags in the supermarket sector.⁶⁷

2.64 Additionally, Mr Jon Dee, Founder and Managing Director of Planet Ark, did not agree that the environmental footprint of paper bags was worse than that of plastic bags:

Whenever we find people talking about that, they always look at the worst scenario paper bag situation versus the best scenario plastic bag situation. There is one key difference between plastic bags and paper bags. From an environmental standpoint, paper bags are sustainable. You can keep planting trees and you can plant them in Australia and therefore create Australian forest industry jobs. You can also use recycled content in them. Again, if you look at the recycling rate of plastic bags at the moment, it is less than three per cent. So from that point of view, we know that paper recycling is

62 Mr Dahms, Submission 230.

63 Mr Dahms, Submission 230.

64 Mr Dahms, *Official Committee Hansard*, Sydney, 15 August 2003, p 18.

65 For example, Ms Hubbard, *Official Committee Hansard*, Sydney, 15 August 2003, p 46.

66 Mr Davidson, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 46.

67 Environment Australia, Department of the Environment and Heritage, *Plastic Shopping Bags — Analysis of Levies and Environmental Impacts*, Final Report, December 2002, Nolan-ITU Pty Ltd, Executive Summary, [p 3].

far more effective in Australia, and we are getting some very good results from the general public and from industry—which has been joining in with general office paper recycling and whatever.

On that argument, I would argue that you can use recycled content; you can also use plantation timber and the product itself is easily recyclable. There is a reason why McDonald's have been using paper bags for 30 years, as opposed to plastic bags. Ever since they started in Australia 30 years ago, they have only ever used paper bags for take-out goods. That is to minimise their impact on the litter stream. There has not been one recorded instance of any whales, turtles or any other marine life being killed by paper bags.⁶⁸

2.65 Nevertheless, the Committee is mindful of Nolan-ITU's finding that:

Little or negative gain was found to be derived from the shift from single use bags to other single use bags such as biodegradable bags and paper bags, with potential litter gains offset by negative resource use, energy and greenhouse outcomes.⁶⁹

2.66 Ultimately it seems that it is the single-use aspect of plastic bags that is of fundamental importance in the search for alternatives:

We have found that one of the threshold issues is the reuse versus the single use aspect. The differences between single use paper, biodegradable plastics, HDPE, polypropylene or whatever are not dramatic. There is some divergence, but the environmental change occurs if you can get a multitrip life out of that product and therefore that is where you get a bigger gain, rather than in material substitution.⁷⁰

Hypothecation of levy funds

2.67 Submissions that were critical of the bills suggested that the imposition of a plastic bag levy would be yet another 'tax grab' by the government. The Committee draws attention to the fact that the wording in the bill does not specifically link the Fund with the monies collected under the Assessment and Collection Bill but rather credits such monies *as are appropriated by the Parliament* [emphasis added] to the fund. It notes that hypothecation is a sensitive issue for Governments, which tend to want to maintain budgetary control over where funds are spent, irrespective of their source.

2.68 However, the Committee concedes that, in order to maintain general community support for a levy, and for it not to be perceived as yet another tax, it

68 Mr Dee, *Official Committee Hansard*, Sydney, 15 August 2003, p 80.

69 Environment Australia, Department of the Environment and Heritage, *Plastic Shopping Bags — Analysis of Levies and Environmental Impacts*, Final Report, December 2002, Nolan-ITU Pty Ltd, Executive Summary, [p 3].

70 Mr Allan, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 33.

would seem to be vital that all the monies collected be unequivocally spent on projects as specified:

There needs to be full transparency about the disbursement of these accumulated funds, and importantly, the system needs to be ‘cost neutral’ from a Government point of view, ie funds need to be fully hypothecated for measures to reduce the number of single use bags being discarded. This will include education as well as research and development into alternatives and new technologies.⁷¹

No single approach to managing plastic bags

2.69 The Committee was told that a range of initiatives are required to combat the problems of plastic bags and litter generally.⁷² In fact, it has been argued that if a levy is introduced the community may absolve itself of responsibility for litter in general and consider that the problem is solved.

2.70 The Committee notes that the introduction of a levy on plastic bags is but one measure, and it does not preclude other initiatives from being implemented. Additionally, it is anticipated that the introduction of a levy would lead to greater awareness of the impact that people can have in other areas:

Importantly the proposed Bill(s) provide an opportunity to encourage the broader community to address a lifestyle issue through behavioural change that may benefit the environment in other areas of community activity.⁷³

2.71 As well as continuing work on regulatory options should the Australian Retailers code of practice not achieve its targets which are detailed in the next section of this report, the Environment Protection and Heritage Council (EPHC), in December 2002 agreed to the following actions:⁷⁴

- a coordinated national customer and retailer awareness program;
- continued participation in litter programs such as the Clean Up Australia *Bag Yourself a Better Environment* campaign;
- a comprehensive study on the full impact of the introduction of degradable plastic bags into the Australian market place;
- a range of plastic bag litter abatement activities;
- further research to complete identified information gaps;

71 The Local Government Association of NSW and Shires Association of NSW, Submission 262, p 2. Also Mr Douglas, Submission 98.

72 Australian Retailers Association, Submission 245, p 6; and Mr Dahms, Submission 230.

73 KESAB environmental solutions, Submission 127, p 7.

74 Environment Protection and Heritage Council, Communique – Governments Focus on Plastic Shopping Bags, Third Meeting, 23 December 2002.

- provision to consumers of information on alternatives; and
- work on hygiene standards for bags used to transport pre-packaged goods.

2.72 Overall, revised targets set by the EPHC are:

- 75 per cent reduction in bag litter by the end of 2005;
- 50 per cent reduction in plastic bags by December 2005;
- 15 per cent recycling target for lightweight HDPE bags by the end of 2005; and
- phase out of lightweight, single use, HDPE bags within five years.⁷⁵

2.73 Other initiatives advocated in submissions include extended producer responsibility schemes and container deposit legislation.⁷⁶ The Committee notes that the EPHC has deferred its consideration of proposals to expand container deposit legislation across Australia until after the National Packaging Covenant expires in August 2004.⁷⁷

Stealing

2.74 Some submissions made various claims about how a levy would lead to increases in shoplifting, as well as trolley and basket theft.⁷⁸ However, evidence received from Mr Allen in Ireland, Planet Ark and in the Nolan-ITU report suggested that the claims may have been overstated.⁷⁹

Other issues

2.75 This section considers a number of other issues raised for the management of plastic bags as part of the inquiry. These include the Australian Retailers Association Code of Practice for the Management of Plastic Bags, charging for bags, a partial ban, reimbursing customers who refuse bags, recycling and biodegradable bags.

75 Environment Protection and Heritage Council, *Communique, Plastic Bags*, 1 August 2003; and Media Release, Minister for the Environment and Heritage, 1 August 2003, *Plastic Bags*.

76 Ms Castle, *Official Committee Hansard*, Sydney, 15 August 2003, pp 35-36 and 40; Chris Ide, Submission 25; Mr Hanna, MP, Submission 62, p 2; Mr Phillips, Submission 97; KESAB Environmental Solutions, Submission 127, pp 5-7; School Communities Recycling All Paper Ltd, Submission 131; Total Environment Centre, Submission 169a; Southern Sydney Organisation of Councils, Submission 206, p 4; and Local Government Association of NSW and Shires Association of NSW, Submission 262a.

77 Media Release, Minister for the Environment and Heritage, 23 May 2003, *Retailers Must Toughen Stance on Plastic Bags*.

78 Australian Retailers Association, Submission 245, p 9; and Australian Chamber of Commerce and Industry, Submission 268, p 7.

79 Mr Allen, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 16; Mr Dee, *Official Committee Hansard*, Sydney, 15 August 2003, pp 82; Planet Ark, Submission 269, p 13; and Environment Australia, Department of the Environment and Heritage, *Plastic Shopping Bags — Analysis of Levies and Environmental Impacts*, Final Report, December 2002, Nolan-ITU Pty Ltd, p 24.

Retailers code of practice

2.76 While accepting the need to reduce plastic bag use, the retailers and other industry organisations, the National Packaging Covenant Council and Clean Up Australia advocate a voluntary code of practice on the management of plastic bags as the preferred method to achieve such a reduction.

2.77 The Environment Protection and Heritage Council agreed to the Code at its meeting in August 2003. This Code:⁸⁰

- commits signatories to a 25 per cent reduction in plastic bags issued by the end of 2004;
- targets a 50 per cent reduction in plastic bags issued by the end of 2005;
- targets 15 per cent of lightweight HDPE bags for recycling (via in-store return) and 30 per cent (through combined in-store and kerbside recycling) by the end of 2005; and
- targets a 90 per cent participation rate of the Australian Retailers Association supermarket and Chain members in the Code.

2.78 The Committee was disappointed to note that the only concrete commitments in the Code are for a 25 per cent reduction in bags issued by the end of 2004 and an increase in the recycling rate to 15 per cent by the end of 2005. The publicised target of a reduction in bags issued by 50 per cent is only a *targeted* reduction in the Code [emphasis added]. According to the Code, an external audit will be conducted in July 2004 to ‘assess progress *to endeavour to strengthen the target to a commitment* (based on the rate of reduction achieved)’ (emphasis added).⁸¹

2.79 Additionally, the reduction targets in the Code will be adjusted to reflect business growth.⁸² This has the potential to legitimise reductions that are less than 25 per cent, depending on the level of business growth of the retailers.

2.80 Clearly, the code of practice cannot be relied on as the sole vehicle to phase-out bags in line with the EPHC decision of December 2002.

2.81 While the goals in the Code do not begin to approach those that could reasonably be anticipated from a levy, few witnesses expected that even these modest reductions could be achieved without a charge being imposed on bags:

80 Australian Retailers Association Code of Practice for the Management of Plastic Bags, 9 October 2003, p 2.

81 Australian Retailers Association Code of Practice for the Management of Plastic Bags, 9 October 2003, p 4.

82 Australian Retailers Association Code of Practice for the Management of Plastic Bags, 9 October 2003, p 5.

The question is not so much whether it is done under a code of practice or whether it is done as a voluntary or imposed levy; the question is: what are the actions that are going to be put in place? So far we have not seen, from the retailers under the code of practice, what actions they are proposing. If they are proposing a pricing signal, I do not think there is any doubt that they will have a dramatic impact and can reasonably expect to achieve the 50 per cent reduction by the end of 2005. If that is not a feature of what they are proposing, then I do not think there is any doubt that they will fail to achieve the target that has been set.⁸³

2.82 Even Mr Joy from the National Packaging Covenant was sceptical that the retailers would achieve the reductions targeted in their code of practice:

The 15 per cent figure which is in there in relation to kerbside recycling is acknowledged by all parties to be something they will try for, but something they are not at all confident they will get. I think it will be an either/or thing: either it will work and you will probably get a figure like that because it will be included in the collections, or you will have nothing at all.

... I would be very surprised to see it get much over five per cent, frankly.

Senator WONG—If the recycling component does not work at all for the reasons you have outlined, that you have some doubts as to whether it will achieve much, what is the benefit of the code?

Mr Joy—The benefit of the code is that, if what they say they are going to do in relation to encouraging avoidance works—that is, the take-up of long-life and medium-life bags—then I think they can achieve very significant reductions. Whether they will get to 50 per cent at the end of 2005, I am, like many people, sceptical. But I think there are a lot of things that they can do to significantly increase the rate of take-up of long-life bags ...⁸⁴

2.83 Despite these doubts, it was put to the Committee that the code of practice should be tried to see whether the voluntary approach will work:

I think that the practical argument is that over the next 12 to 18 months we could, through the voluntary code, if it is effectively implemented, see once and for all whether or not a genuine commitment by the retailers to reducing bag usage significantly can work. If it cannot then we can go down the regulatory path. But, by the time you develop and introduce a bill, go through the regulatory impact statements, produce the regulations et cetera, my guess is that it will be the end of next year anyway, assuming it is done at the national level, before the thing actually hits the streets.⁸⁵

83 Mr Allan, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 30.

84 Mr Joy, *Proof Committee Hansard*, Melbourne, 19 September 2003, pp 26-27.

85 Mr Joy, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 26.

2.84 The Committee notes that work has been continuing on regulatory options since the issue came to the attention of the EPHC, and it anticipates that the timeframes outlined by Mr Joy in the event that the Code is not successful would not be as lengthy as he anticipates.

2.85 While Clean Up Australia does not recommend that regulatory options be instigated as a first option, it does support mandatory regulation by either levy or ban on plastic bags if the targets in the Code are not met within 12 months.⁸⁶

Firstly, let me clarify that if the targets are not met within 12 months, we would definitely be looking for a monetary measure, whether it be a levy or some other measure. I think the government is doing some additional work on that, and I think we need to continue to do that to find the best option.⁸⁷

2.86 The revised Code covers the period 31 July 2003 to 31 December 2005. Signatories will report audited results half yearly to the National Packaging Covenant Council via the Australian Retailers Association. These six monthly reports should provide some indication on the progress of any reductions made. Therefore the Committee anticipates that by January 2004 data will be available to enable an assessment to be made about the likely success of the Code.

2.87 If retailers fail to meet the targets, the code of practice will be set aside and the Government will instigate regulatory alternatives. However, while that Code is in operation, it contains a provision to exempt Code signatories from any regulatory measures that are introduced relating to the reduction and recycling of bags. Therefore, depending on how binding such a provision would be, exempt signatories would include:

- the major and smaller supermarket chains and independent supermarkets sponsored by wholesalers or run under banner groups; and
- all other retailers using lightweight HDPE bags.

2.88 The underlying argument for relying on the Code to achieve reductions is that previously there was not strong engagement at the retailer level with previous codes of practice, but that engagement is now apparent at higher management levels in the companies and this will increase the likelihood of success of the current commitments.⁸⁸

Charging for bags

2.89 Despite claims that in relation to plastic bag use Australian consumers would not behave in the same manner as Irish consumers, the Committee received evidence

86 Clean Up Australia, Submission 237, p 10.

87 Ms Read, *Official Committee Hansard*, Sydney, 15 August 2003, p 90.

88 Mr Joy, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 21; and Mr Catchpole, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 45.

about impressive reductions in bag use in some Australian stores following the introduction of a charge for the bags. Submissions commonly referred to the experience of furniture chain IKEA, Aldi supermarkets and, most recently, Bunnings which now charge for plastic bags.⁸⁹

2.90 According to Planet Ark:

These examples show that a financial charge is needed to change the bag behaviour of Australians at the check-out. If you charge for plastic bags, people will change their behaviour and bring their own bags.

2.91 Mr Allan told the Committee:

From our assessment we have come to the conclusion that under the introduction of a levy there will be a substantial change in consumer behaviour. Undoubtedly, there will be a dramatic reduction in the number of bags consumed, whether there is a regulated levy or one introduced on a voluntary basis. The trigger that leads to the consumer behaviour change is an economic signal to the consumer. Therefore, whether that comes about by an external levy, with funds going to government or to some other purpose, or whether it comes about by Bunnings, Ikea or Aldi doing what they have done, that is what triggers the change. If under the code of practice a pricing signal is given to consumers, there will be fundamental change in consumer behaviour—there will be a fundamental reduction in bag consumption.⁹⁰

2.92 Ms Read from Clean Up Australia pointed out that while financial incentives influence people's behaviour, container deposit legislation covering plastic bags as well as other forms of packaging would be a preferable response to the problem:

We are concerned that a levy does not necessarily put a value on these bags as a resource, which is what we really advocate in the case of something like container deposit legislation where people are encouraged in a positive way to return resources and reuse them. A levy has a more negative effect rather than a positive effect. We acknowledge that financial incentives do influence behaviour but, as I said, something like container deposit legislation is a far more positive response mechanism than a levy, which is more punitive.⁹¹

Partial ban

2.93 The Committee was concerned that little investigation has been done in relation to smaller retailers:

89 For example: Mr Potter, Submission 79; and Ms McGrath, Submission 266, pp 3-4.

90 Mr Allan, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 30.

91 Ms Read, *Official Committee Hansard*, Sydney, 15 August 2003, p 85.

... it would seem from first principles that the smaller the enterprise, relatively speaking, the greater the impost would be on accounting for, keeping and then returning any levy. Obviously, the detailed way in which the regulations were set up and how it was established could mitigate that to some degree. One of the most problematic issues in any regulatory action in the environmental area is dealing with small business simply because of their numbers and the difficulties of getting messages across and providing assistance to them to observe the regulations. I should emphasise that the discussions to date with industry have centred almost entirely on the supermarket industry. There has been little or no engagement that I am aware of with the smaller part of the retail industry, and by its nature it is not easy to engage it.⁹²

2.94 While 53 per cent of bags are sourced from supermarkets, the remainder come from other retailers as follows:⁹³

Other retail	14%
General merchandise, electrical and apparel	14%
Other food and liquor	13%
Fast food and convenience stores	5%

2.95 As mentioned previously, littering of plastic bags occurs most often at away-from-home destinations. Additionally, research into stormwater pollution has found that most of the litter analysed – by mass and frequency – comprised paper and plastics and these enter the drainage network as street litter from mainly commercial areas.⁹⁴

2.96 A greater focus on these areas to curb plastic bag use, such as by prohibiting plastic bags for fast food, for example, may yield significant gains in relation to plastic bag litter:

We were identifying that the litter is not actually coming from the full retail but predominantly from away-from-home destinations. So if you have convenience store, takeaway food type outlets you will probably find that, while they make up a relatively small number in plastic bag consumption, they contribute a relatively high number to the litter issue. Therefore you could say that, if our objective is to minimise litter impact as a primary

92 Mr Joy, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 23.

93 Environment Australia, Department of the Environment and Heritage, *Plastic Shopping Bags – Analysis of Levies and Environmental Impacts*, Final Report, December 2002, Nolan-ITU Pty Ltd, Executive Summary, [p 2].

94 Cooperative Centre for Catchment Hydrology, Industry Report 97/11, December 1997, p 3. Also Mr Knight, Submission 134.

policy objective, as a priority we will try to steer those sectors away from plastic bag use. You already have major players within that sector choosing to use paper over plastic and, as a result, having a lower litter impact, a lower retention.⁹⁵

Reimbursing customers who refuse plastic bags

2.97 Some submissions drew the Committee's attention to schemes to reimburse customers who do not accept plastic bags at the point of sale.⁹⁶ The Local Government Association of NSW and Shires Association of NSW suggested reimbursement for consumers who provide their own containers in place of the bags exempted by the bills:

It is suggested that the Act should give some financial incentives to those consumers who choose to supply their own reusable bags or containers for these exempted, perishable goods and equally impose some financial cost on all those who use single-use bags, whatever their intended contents.⁹⁷

2.98 The costs of plastic bags are currently embedded across the board in the goods sold by retailers. They are paid by all consumers regardless of whether they refuse bags or bring their own. The Committee considers that the principle of reimbursing customers who do not accept bags holds some merit but doubts its acceptability to retailers given their antagonism to any measure that increases disruptions at check-outs.

Recycling and biodegradable bags

2.99 Calls for greater levels of plastic bag recycling and the use of biodegradable bags were made in submissions. These options are considered below.

Recycling

2.100 The Nolan-ITU Report states that 84 per cent of the HDPE bags utilised in Australia (both imported and locally produced) have a recycled content of between 30 and 50 per cent.⁹⁸ This recycled content comes mostly from industrial waste sources.

2.101 Despite the fact that some retailers have provided drop-off bins in their stores to accept returned bags for recycling, the recycling rate is low at approximately

95 Mr Allan, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 31.

96 *For example*, Linsey Hall, Submission 35; Ms Townsend, Submission 176; and Ms McGrath, Submission 266, p 7.

97 The Local Government Association of NSW and Shires Association of NSW, Submission 262, page 1.

98 Environment Australia, Department of the Environment and Heritage, *Plastic Shopping Bags — Analysis of Levies and Environmental Impacts*, Final Report, December 2002, Nolan-ITU Pty Ltd, p 5.

2.7 per cent. Nolan-ITU estimates that in 2001-2002 approximately 50 tonnes of the total 1,000 tonnes of returned bags were reprocessed in Australia, with the majority exported for reprocessing.⁹⁹

2.102 Many people consider that they are recycling plastic bags when they use them as bin liners. Clean Up Australia submitted that while this is given as one of the most common reasons for accepting plastic bags, people need to understand that sending a recyclable resource to landfill is not recycling - it is a single reuse.¹⁰⁰

2.103 According to Mr Davidson from Detmark Poly Bags, recycling of plastic bags to produce new bags is still in its infancy but his company can now produce recycled bags from 20 per cent industrial recycled material and 20 per cent returned checkout bags.¹⁰¹ He anticipates that over time the percentage of recycled material in bags can be increased, but only if the industry survives in Australia, which would be unlikely should the levy be introduced.

2.104 Previously bags that were returned for recycling could only be manufactured into other products such as pipes. By recycling bags into new bags, Mr Davidson considers that this will encourage a higher rate of recycling:

If the community know that the bags they take back to be recycled are actually being put back in and they can visually see that they are going back into a useful product—that is, back into checkout bags—that gives them an incentive to recycle more and feel that they can actually contribute to improving the environment that we live in.¹⁰²

2.105 While the Committee applauds the efforts to recycle bags in this way, it remains mindful of the Nolan-ITU finding that as a stand-alone option, increased recycling of plastic shopping bags will not affect consumption of bags and would be expected to have a negligible effect on the litter stream.¹⁰³

2.106 The Australian Retailers Association code of practice contains a commitment to increase the in store recycling rate of plastic bags to 15 per cent, with a targeted increase of 30 per cent in combination with bags collected via kerbside recycling schemes. Currently, recycling of plastic bags through kerbside collections is not widespread, and the Committee was told that their inappropriate inclusion in

99 Environment Australia, Department of the Environment and Heritage, *Plastic Shopping Bags — Analysis of Levies and Environmental Impacts*, Final Report, December 2002, Nolan-ITU Pty Ltd, p 7.

100 Clean Up Australia, Submission 237, p 6.

101 Mr Davidson, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 44.

102 Mr Davidson, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 44.

103 Environment Australia, Department of the Environment and Heritage, *Plastic Shopping Bags — Analysis of Levies and Environmental Impacts*, Final Report, December 2002, Nolan-ITU Pty Ltd, p 45.

collections contaminates other recyclables. Nolan-ITU identifies several barriers for their inclusion in kerbside recycling:¹⁰⁴

- the light weight of plastic bags makes them difficult to sort using mechanical separation; and because recyclables are sold by weight, a significant number need to be collected (for example it takes more than 180,000 bags to make up a tonne of material);
- plastic bags are low in value (less than \$120 per tonne); and
- bags can be contaminated from the packaging and products that they have carried. Additionally, different bags can be made of a range of polymer types and plastic films that can contaminate batches of recycled resins.

2.107 The Committee heard disturbing evidence from NSW local government organisations that the costs incurred in increasing the recycling rate will fall on local government and provide a loophole for the retailers to escape their responsibilities in the Code:

In particular, the inference that the achievement of this goal will be dependent on kerbside recycling initiatives concerns me. This is the nonsense that underpinned the flawed national packaging covenant. The suggestion is that a good kerbside collection and system is the panacea for our waste related environmental problems. Let me emphatically state that local government will not be carrying the can by collecting these worthless commodities. Who gives industry and state and federal ministers the right to make this commitment on our behalf? No-one has spoken to local government. I have no doubt that when the code is examined for its non-performance in 2005 industry will say the main cause is that councils did not come on board and provide effective kerbside services. I will go on the record now to say to industry: single use plastic bags are your creation. You are championing them. This is your problem, not ours.

What particularly galls us in local government is that when confronted with a social or environmental imperative such as this industry will drag out the usual rhetoric, and not very convincingly in this case, as I have suggested before, to show why it cannot work—but give them an economic imperative such as maintaining profit levels during a downturn and they invariably find a way in a very short time frame, and you will see them downsizing, staff lay-offs and branch closures before you can blink an eyelid.¹⁰⁵

Biodegradable bags

2.108 Because it takes many years for plastic bags to break down some submissions recommended that biodegradable bags should be used instead. However the

104 Environment Australia, Department of the Environment and Heritage, *Plastic Shopping Bags — Analysis of Levies and Environmental Impacts*, Final Report, December 2002, Nolan-ITU Pty Ltd, pp 44-45.

105 Councillor Kelly, *Official Committee Hansard*, Sydney, 15 August 2003, p 15.

Committee was alerted that there are dangers with this approach, some of which are discussed below.

2.109 Firstly, biodegradable bags have the potential to contaminate recycling programs by contaminating the quality of the recycled resin. Mr Davidson from Detmark Poly Bags Pty Ltd told the Committee:

We see biodegradable as potentially being very damaging to the recycling industry if we get contamination of biodegradable product in that waste stream. Bear in mind that not all of the material that is getting recycled comes back to us because we may not get it all to a quality that is required for blowing thin film, whereas the requirement is less for putting it into pipe. Could you visualise agricultural pipe with biodegradables? Hundreds of kilometres of this are laid out, and little sections of it are degrading and causing fountains? That industry has told me if biodegradable products come in any significant amount they will not recycle film product for fear of the product liability problems that it could cause.¹⁰⁶

2.110 Secondly, if bags degrade by fragmenting, they can add to the visual problems of litter by increasing the pieces of bags in the environment which also makes clearing up the rubbish more difficult. Mr Short told the Committee that very small amounts of plastic cause large problems in turtles and even a piece of bag material will cause death.¹⁰⁷

2.111 Thirdly, people may become even more careless about appropriately disposing of biodegradable bags if they believe that the bags will break down of their own accord if released to the environment.

Conclusion

2.112 The Committee unequivocally states its abhorrence of litter and its impact on the environment, while noting that only 2 per cent of Australia's litter is plastic bags. The Committee also states that, while recognising that the introduction of a 25 cent levy on plastic shopping bags would reduce plastic bag use and litter in Australia, it believes that regulation should usually be reserved as an option of last resort.

2.113 The Committee found persuasive the expert evidence of Mr Philip Dahms who, while appearing at the Committee's hearing on 15 August 2003 in a private capacity, is the Head of Waste Policy and Planning at Woollahra Council. Mr Dahms said:

My submission points to the removal of plastic bags from the litter stream as being a hollow victory if the remaining majority of materials in the litter stream still persist. Therefore, my submission points to the levy on plastic bags, if introduced, as needing to be only one part of an integrated suite of

106 Mr Davidson, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 49.

107 Mr Short, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 7.

policy actions to produce a positive environmental outcome and a reduction in recurrent expenditure by council.¹⁰⁸

2.114 In respect to the holistic approach being advocated by Mr Dahms, the Committee notes that the nation's Environment Ministers have already made the decision through the Environment Protection and Heritage Council not to adopt a legislative solution to the problems caused by plastic bags, but have instead adopted a comprehensive range of abatement and educative measures.

2.115 While the Committee recognises that this approach is unlikely to achieve the greatest possible reduction in plastic bag use in the short term, it notes the importance of having the majority support of the Ministers on the Council. As pointed out by Mr Robert Joy, Chairman of the National Packaging Covenant Council:

I think there are some political realities in terms of the likelihood of there being agreement nationally on a levy and at what level that levy should be established—whether it should be established by the national government or whether it should be established by state governments. Very clearly whatever is established needs to be consistent across the nation. You do not want three or four different systems working, which would confuse consumers and make life more difficult for industry.¹⁰⁹

2.116 While the Retailers code of practice is seen by many as the primary vehicle by which to achieve reductions in plastic bags, the Committee anticipates that the other measures agreed to by the EPHC will need to play a greater role in achieving reductions. Additionally, of their own volition, consumers will need to take greater responsibility for their use and littering of plastic bags if significant improvements in the impact of the bags on the environment are to be seen. The Committee awaits the outcome with interest.

Recommendation

2.117 The Committee recommends that:

The Plastic Bag Levy (Assessment and Collection) Bill 2002 [No. 2] and the Plastic Bag (Minimisation of Usage) Education Fund Bill 2002 [No. 2] not be agreed to.

Senator Alan Eggleston
Chairman

108 Mr Dahms, *Official Committee Hansard*, Sydney, 15 August 2003, p 18.

109 Mr Joy, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 21.

Supplementary Report of Labor Members

Labor members of the Committee consider the evidence presented to the Committee demonstrates the urgent need for mandatory measures to minimise plastic bag usage in Australia. However, given the technical impediments to the bills under inquiry and the Government's opposition to mandatory measures, the passage of these bills will be futile.

To be effective, the bills under inquiry require the introduction of a third bill, imposing the proposed levy.¹ Due to constitutional and other constraints, only the Government can introduce a bill imposing such a levy.² The Government has indicated it does not support such legislation and will not introduce such a bill. Without legislation imposing the levy, the bills under inquiry become ineffective, and are essentially reduced to an exercise in hypothetical legislating.

Accordingly, we endorse the majority report's recommendation that these bills not be agreed to, albeit on somewhat different grounds.

Labor members consider the evidence as to the harmful environmental impact of plastic bags to be compelling. Australians use 6.9 billion plastic bags per year – an unacceptably high number. The environmental impacts of this over-usage are significant and unnecessary. Environmental harm is most apparent in the presence of plastic bags in the litter stream, and particularly in the marine environment. The consequences for marine life are patent, particularly where marine animals ingest plastic bags, often resulting in injury or death.³

However, the environmental impact of plastic bags derives not only from their presence in the litter stream, but by virtue of the sheer volume of usage. Evidence presented to the Committee, which was not substantially disputed, indicates that some 6.67 billion plastic bags are disposed to landfill – approximately 36 700 tonnes per year.⁴ These figures themselves demonstrate the need for mandatory and legislative measures to lessen the numbers of plastic bags used by Australians.

Labor members note the positive steps taken by various retailers and communities to address the problem of plastic bag usage. In particular, the ban on plastic bags in Coles Bay, Tasmania, implemented by agreement within that community (including

¹ Majority report, paragraph 1.14, p 3.

² Commonwealth of Australia Constitution Act, Section 53 prevents proposed laws imposing taxation from originating in the Senate; and House of Representatives Standing Order No. 293 prevents Members who are not Government Ministers from proposing such measures.

³ Mr Short, Submission 272, p 2 and Mr Short, *Proof Committee Hansard*, Melbourne, 19 September 2003, pp 1-11.

⁴ Environment Australia, Department of the Environment and Heritage, *Plastic Shopping Bags — Analysis of Levies and Environmental Impacts*, Final Report, December 2002, Nolan-ITU Pty Ltd, p 8.

business),⁵ demonstrates that mandatory measures such as a ban can be effectively implemented, with community support. Labor members further note that a similar ban has been announced in Huskisson, NSW subsequent to the conclusion of this inquiry.

In contrast, we consider that the Retailers Code of Practice, agreed to by the Environment Protection and Heritage Council in August 2003, is unlikely to yield sufficient environmental benefits. The voluntary nature of the code, given the ineffectiveness of previous voluntary measures, is problematic.⁶ Even assuming compliance with the Code, the measures contained in it are simply insufficient.

Labor members consider the evidence presented to the Committee supports appropriate and effective mandatory legislative measures to minimise plastic bag usage. We regret that the bills under consideration do not provide this.

Senator Penny Wong
Senator for South Australia

Senator Kate Lundy
Senator for the Australian
Capital Territory

⁵ Ms Foot, *Proof Committee Hansard*, Melbourne, 29 September 2003, pp 50-53; and Mr Dee, *Proof Committee Hansard*, Sydney, 15 August 2003, pp 52 and 55-56.

⁶ Ms Boyd, *Official Committee Hansard*, Sydney, 15 August 2003, p 8; Councillor Kelly, *Official Committee Hansard*, Sydney, 15 August 2003, pp 15, 22 and 23; Ms Flanagan, *Official Committee Hansard*, Sydney, 15 August 2003, p 37; Mr Joy, *Proof Committee Hansard*, Melbourne, 19 September 2003, pp 26-27; and Ms Brown, *Proof Committee Hansard*, Melbourne, 19 September 2003, p 35.

Dissenting Report of the Australian Greens

SENATOR BOB BROWN

Plastic Bags Levy Receives Overwhelming Support

92% of submissions support Greens legislation

The Australian community overwhelmingly wants to see concrete action to stop the proliferation of plastic bags

According to research conducted for Planet Ark by Roy Morgan nearly 80% of Australians support a 25 cent levy on plastic bags.

92% (over 250) submissions to this committee supported a levy as a means of reducing bags. Only 4% (11 submissions) were opposed.

6.9 billion bags per year

There are 6.9 billion bags used in Australia every year, this amounts to almost one per person per day. Most of these bags come from supermarkets where 3.6 billion bags are distributed each year. This is where the levy outlined in the Greens legislation is designed to have most impact.

Killing marine life

Evidence given to the committee demonstrated that a range of marine life is susceptible to the dangers of plastic bags. Evidence was presented from the International Fund for Animal Welfare showing a young Australian fur seal with a plastic bag wrapped around its neck.

Seals in Tasmania and Victoria have a high incidence of entanglement in plastic debris including being collared by plastic litter. Young sea turtles have also been identified as particularly vulnerable. Ingested plastic causes intestinal blockages with the effect of reduced feeding and, eventually, starvation.

The committee was shown photographs of a rare Bryde's whale killed as a result of ingestion of marine debris. The whale weighed about 3½ tonnes and she was 7.95 metres in length. The whale was stranded on the Cairns mudflats on 25 August 2000 and was found to contain nearly six square metres of marine debris that was dominated by plastic materials. Plastic bags made up about 86% of the material removed from the whale.

Cost to local communities

The cost of cleaning up the litter of plastic bags is not borne by the industry that produces them or uses them. Local councils pay. Councillor Leo Kelly (Metropolitan Vice-President, Local Government Association of NSW and Shires Association of NSW) put it this way: “What in fact is distortionary is the current situation, where there is no clear link between behaviour and cost, as the cost of addressing the environmental impact of plastic bags through litter clean-up, wildlife rescue et cetera is borne by the broader community through their rates and taxes.”

Irish experience

The Irish experience demonstrates that the plastic bags levy works. Ireland is using 90% less plastic bags at supermarket checkouts.

Australian experience – 91% reduction from Bunnings’ levy

New evidence in Australia shows how well the Irish experience can translate here.

Since Bunnings hardware stores introduced a levy on plastic bags at the beginning of October 2003, there has been a 91% reduction in plastic bag use. This far exceeds the hopes for a 50% reduction by Christmas and Bunnings reports strong and positive customer support for its campaign to reduce plastic bags.

Ikea has reported an 85% reduction in plastic bag use after its stores introduced a 10 cent levy.

Government’s voluntary approach fails

The Federal Government has failed to take mandatory measures to reduce plastic bags consumption in Australia. I predict that the voluntary code agreement that has been reached with state governments and industry to reduce plastic bag use by 50% will fail.

Voluntary tax

Consumers will not have to pay the levy. It is a voluntary tax. Only consumers who use plastic bags will pay.

Meanwhile the current situation, whereby plastic bags are given away ‘free’ by supermarkets means that the cost of the bags is built into increased prices of goods purchased by all consumers, whether they take the bags or not.

Conclusion

A levy has been demonstrated to work overseas and in Australia, and it has huge public support.

The overwhelming body of evidence presented to the committee suggested that the number of plastic bags presents a large and costly environmental problem and that a levy should be imposed.

The Senate should agree to the passage of these bills.

Bob Brown
Australian Greens

Appendix 1

List of Submissions

1	Mr Stewart Taggart	27	Ms Clare Walker
2	Mr Nick Zagar	28	Ms Monique Potts
3	Mr Bernie Masters, MLA (WA)	29	Mr Mark Gove
3a	Mr Bernie Masters, MLA (WA)	30	Ms Sue Brown
4	Mr Glen Osboldstone	31	Ms Annette McDonald
5	Mr/s Akira Bergman	32	Ms Teresa Altamore
6	Ms Janine Bjorkman	33	Ms Andrea Pape
7	Mr Karl Williams	34	Mr and Ms Essex
8	Mr Stuart Murphy	35	Mr/s Linsey Hall
9	Mr Tom Ryan	36	Mr Nick Ray
10	Mr Christopher Paul	37	Sir Tien Nang
11	Mr Hugh Sullivan	38	Ms Fiona Hamilton
12	Mr Geoff Shuetrim	39	Mr Michael Hands
13	James and Chase Henry	40	Rev Jason John
14	Ms Sandra Lee	41	Ms Judy Pine
15	Mr Michael James Wilkinson	42	Mr Richard Hosking
16	Mr Barry Jones	43	Mr Andrew Duguid
17	Ms Maureen King	44	Mrs Kellie Robinson
18	Mr Geoff Warren	45	Ms Sharon Royal
19	Dr Bill Anderson	46	Mr Steve Elsbury
20	Mr Julian Hinton	47	Mr Mark Collard
21	Ms Helen D Harris OAM	48	Mr Jonathon Beves
22	Mr William Bretherton	49	Ms Victoria Clayton
23	Ms Charlotte Sanders	50	Ms Valerie Yules
24	Ms Sue King	51	Mr/s Sam La Rocca
25	Mr/s Chris Ide	52	Dr Patricia Price
26	Ms Natasha Key	53	Ms Michaela Jackson

54	Ms Naomie Sunner	86	Ms Roslyn Bertram
55	Ms Eleanor Er	87	Ms Susan Harrington
56	Ms Pauline Maher	88	Ms Debbie Blakeney
57	Mr/s Manu Black	89	Mr Steve McKinney
58	Mr Eric Vigo	90	Mr Clive and Ms Fay Malcolm
59	Mr Adam Roff	91	Ms Lynn MacLaren
60	Mr Matt Dickenson	92	Ms Alleyne Cassi Plate
61	Mr Mark Boulet	93	Ms Mistie Leadbeatter
62	Mr Kris Hanna, MP	94	Mr Andy Baker
63	Gorresens Pty Ltd	95	Mr David Gamble
64	Ms Janice Hughes	96	Ms Hilary Little
65	Ms Cello Georgouras	97	Mr Max Phillips
66	Mr Ric Gleadell	98	Mr Steve Douglas
67	Ms Alexandra Whitlock	99	Ms Margaret Bradford
68	Dr Paul R Collins	100	Ms Vicki Langham
69	Ms May Leatch	101	Ms Grace McCaughey
70	Mr/s EJ Wearing-Smith	102	Eurobodalla Greens
71	Ms Ruth Paterson	103	Ms Michele Lord
72	Anna Ranson and Rick Pilkington	104	Mr/s Frances Murrell
73	Mr Erik Stanton-Hicks	105	Ms Christine Bridle
74	Dr Lydia Wells	106	Ms Janet Walker
75	Ms Kate Eve	107	Ms Miranda Menzies
76	Mr Adrian Glamorgan	108	Yarrow Andrew
77	Mr Stewart Kerr	109	Ms Gene Taylor
78	Ms Marsha Graham	110	Ms Jennifer Killen
79	Mr Matthew Potter	111	Ms Gabriel Fuller
80	Mr Tim Johnson	112	Mr Richard Madigan
81	Ms Tessalie Parker	113	Franklins
82	Ms Melissa Beitz	114	Ivor and Deirdre Morton
83	Mr Graeme Drysdale	115	Ms Barbara Griffiths
84	Mr Jeremy Mitchell	116	Mr/s Sam Wilkinson
85	Julia and Sara Dehm	117	Mr Benjamin Tancred

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|-----|----------------------------------------------------|------|-------------------------------------------------------------|
| 118 | Ms Vanessa Erol | 147 | Pauline and Gosta Lynga |
| 119 | Ms Gwen Lee | 148 | PACIA, Plastics and Chemicals Industries Association |
| 120 | Ms Linda Fabb | 149 | Ms Julia Hazel |
| 121 | Ms Sarah Ward | 150 | Mr Rowan Huxtable |
| 122 | Mr/s Sammy Woolford | 151 | Ms Fiona Thiessen |
| 123 | Mr David Reid | 152 | WDCS, Whale and Dolphin Conservation Society |
| 124 | Mr/s Finn Mulhall | 153 | Ms Judy Cameron |
| 125 | Mr Dan Tropp | 154 | Worldwide Home Environmentalists' Network |
| 126 | Ms Betty Carrasco | 155 | Ms Amanda Hodgson |
| 127 | KESAB environmental solutions | 156 | Ms Debbie Howell |
| 128 | Mr/s J N Pott | 157 | Soroptimist International Eastern Districts of Adelaide Inc |
| 129 | Newcastle Greens | 158 | Ms Britta Hartmann |
| 130 | Mr Richard Madigan | 159 | Mr Ken Johnson |
| 131 | SCRAP (School Communities Recycling All Paper Ltd) | 160 | Ms Annie Leschen |
| 132 | Mr Peter Reddan | 161 | Mr Craig Lemon |
| 133 | Ms Lisa Blanch | 162 | Environment Victoria |
| 134 | Mr Neil Knight | 163 | Mr/s Tryphena McShane |
| 135 | Ms Julie Green | 164 | Indo-Pacific Sea Turtle Conservation Group |
| 136 | Mr Andrew D S Gibson | 165 | Mr Jim Clark |
| 137 | Ms Tania Giles | 166 | Mr Michael Dunne |
| 138 | Ms Kathleen Glenday | 167 | Ms Barbara Dalloway |
| 139 | Mr Daniel Falster | 168 | Mr Tim Harvey |
| 140 | Margaret and Michael Waddington | 169 | Total Environment Centre |
| 141 | Mr Robert Colman and Ms Debra Russell | 169a | Total Environment Centre |
| 142 | Ms Marion Green | 170 | Ms Jennifer Herron |
| 143 | Mr Peter Emil Steck | 171 | Reef Check Australia |
| 144 | Cr Sam Byrne | 172 | Ms Dominique Thiriet |
| 145 | Mr Joseph Ting | 173 | Ms Nicole Flint |
| 146 | Mr Glenn Todd | | |

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|------|------------------------------------------------|-----|------------------------------------------------------------|
| 174 | Mr Leigh Fulton | 200 | Mr Robert Douglas |
| 175 | Ms Tina Alderson | 201 | International Fund for Animal Welfare (IFAW), Asia Pacific |
| 176 | Ms Sara Townsend | 202 | Ms Tammy Hanson |
| 177 | Ms Denise Turner | 203 | Mr Alan Griffiths |
| 178 | Mr Eric Storm | 204 | Mrs Karen and Ms Christine Connelly |
| 179 | Ms Shelley De Ruyter and Mr Neil Mattocks | 205 | Ms Genevieve O'Connell |
| 180 | Ms Roslyn Martin | 206 | Southern Sydney Regional Organisation of Councils |
| 181 | Mr Ian Hill | 207 | Ms Jane Allanson |
| 182 | Low Isles Preservation Society | 208 | Ms Linda Simpson |
| 183 | Ms Anna Lashko | 209 | Mary and George Lewis |
| 184 | Dr Adriana Vanden Heuvel – Gore | 210 | Ms Helen Rosser |
| 185 | Ms Jane Cussen | 211 | Kay Stanley and Brett Vogel |
| 186 | Mr Scott Bridges | 212 | Mr Ian Macindoe |
| 187 | Confidential | 213 | Ms Sharon Chandler |
| 188 | The Uniting Church Earth Team | 214 | Mrs Alma S. Jackson |
| 189 | Conservation Council of South Australia (CCSA) | 215 | Ms Sue Bond |
| 190 | Ms Elizabeth Davidson | 216 | Ms Wendy Nixon |
| 191 | Humane Society International | 217 | Mr/s Lyndall Jennings |
| 192 | Burnley Neighbourhood Centre | 218 | Mr/s Chris Gymer |
| 193 | Dr Suzanne Jenkins | 219 | Dr Andrew McNaughtan |
| 194 | Ms Frances Benton | 220 | Nature Conservation Council of NSW Inc. |
| 195 | National Packaging Covenant Council | 221 | Randwick City Council |
| 195a | National Packaging Covenant Council | 222 | Princes Hill Secondary College |
| 196 | Ms Janet Devlin | 223 | Tasmanian Greens |
| 197 | Mr Philip Purcell | 224 | Ms Sally Fisher |
| 198 | World League for Protection of Animals | 225 | Mr/s Radhika Van Rooyen |
| 199 | Living Ethically and Sustainably Group | 226 | Greenwich Consulting Group Pty Ltd |
| | | 227 | Frank and Colleen Cunningham |

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|------|-------------------------------------------------------|------|-------------------------------------------------------------------|
| 228 | Mr Seth Unmack | 255 | Ms Pamela Rothfield |
| 229 | Ms Marie-Louise Hekel | 256 | Ms Pam Ahern and Ms Sylvia Ahern |
| 230 | Mr Philip Dahms | 257 | Ms Louise Turno |
| 231 | Mr Matthew Wallman and Ms Emma Dortins | 258 | Ms Carmel Kozolup |
| 232 | Australian Conservation Foundation (Sydney Branch) | 259 | Central Coast Greens Office |
| 233 | Mr Danny and Ms Manya Ballard | 260 | Project Jonah |
| 234 | Ms Giz Watson, MLC | 261 | Mr Tim Fisher |
| 235 | Children of Year 5, Bullsbrook Primary School | 262 | Local Government Association of NSW and Shires Association of NSW |
| 236 | Mr Grant Redfern | 262a | Local Government Association of NSW and Shires Association of NSW |
| 237 | Clean Up Australia Ltd and Clean Up the World Pty Ltd | 263 | Mr Garth Duggan |
| 237a | Clean Up Australia Ltd and Clean Up the World Pty Ltd | 264 | Ms Viv Waller |
| 238 | Mr Christopher Day | 265 | Mr Peter Hopper |
| 239 | Ms Susan Lee | 266 | Ms Ami McGrath |
| 240 | Braidwood Greens | 267 | Ms Rosalyn Allen |
| 241 | Ms Stella Martin | 268 | Australian Chamber of Commerce and Industry |
| 242 | Mr/s Hemi Hill | 268a | Australian Chamber of Commerce and Industry |
| 243 | Mr Peter Milne | 269 | Planet Ark |
| 244 | Animals Australia | 270 | Northern Territory Legislative Assembly |
| 245 | Australian Retailers Association | 271 | Ms Mara Ripani |
| 246 | Mr Richard Hole | 272 | Mr Michael Short |
| 247 | Wildlife Victoria Inc. | 273 | Mr Ange Kenos |
| 248 | Ms Catherine Riley | 274 | Mr Avi Waksburg |
| 249 | Mr Colin and Ms Sandra Henry | | |
| 250 | Mr Geoffrey Phipps | | |
| 251 | Ms Karen Faunt | | |
| 252 | Ms Sabina Peritore | | |
| 253 | Mr Simon Etheridge | | |
| 254 | Ms Leonie Chester | | |

Appendix 2

Witnesses at Public Hearings

Sydney, 15 August 2003

International Fund for Animal Welfare (IFAW) Asia Pacific

Ms Denise Boyd, Strategic Adviser

Local Government Association of NSW and Shires Association of NSW

Cr Leo Kelly (Blacktown City Council), Metropolitan
Vice President, LGASA

Mr Robert Verhey, Strategy Manager – Environment

Randwick City Council

Dr Talebul Islam, Acting Manager Waste

Southern Sydney Regional Organisation of Councils

Mr David Somerville, Waste Projects Co-ordinator

Mr Philip Dahms, Head, Waste Policy and Planning, Woollahra Council (*appearing in a personal capacity*)

Nature Conservation Council of NSW Inc

Ms Brooke Flanagan, Executive Officer

Total Environment Centre

Ms Jane Castle, Resource Conservation Campaigner

Australian Retailers Association

Ms Melanie Hubbard, Policy Advisor

Australian Chamber of Commerce and Industry

Ms Karen Curtis, Director, Industry Policy

Mr David Rynne, Advisor, Industry Policy

Planet Ark

Mr Jon Dee, Founder and Managing Director

Clean up Australia Ltd

Ms Rose Read, General Manager

Melbourne, 19 September 2003

Mr Michael Short, Queensland Parks and Wildlife Service (*appearing in a personal capacity*)

Mr Gerry Allen, Chief Executive, Smurfit Irish Paper Sacks, (*appearing in a personal capacity, via teleconference*)

National Packaging Covenant Council, Mr Rob Joy, Chairman

Nolan-ITU Pty Ltd

Mr Peter Allan, Partner

Environment Victoria

Ms Suzie Brown, Director Sustainable Production and Consumption Campaign

Ms Jenny Henty, Director Community Networks

Plastics and Chemicals Industries Association (PACIA)

Mr Michael Catchpole, Director, Public Affairs

Mr Malcolm Davidson, General Manager, Detmark Poly Bags Pty Ltd

Ms Wendy Foot, Coles Bay Trading, *via teleconference*

Appendix 3

Exhibits

Sydney, 15 August 2003

Australian Chamber of Commerce and Industry

Hawker Britton Public Affairs Solutions, *Low and Middle income Australians Not Enthused About Paying for Plastic Shopping Bags*, 17 July 2003.

Planet Ark

Articles—

Plastic bag deal is going well, with rapid fall in waste, Cape Times, 3 July 2003.

\$5 deposit plan to beat trolley theft, Ronnie Girdham, thesundaymail.com.au.

Calico bag—Coles Bay Tasmania, Australia's First Plastic Bag Free Town, Planet Ark.

Melbourne, 19 September 2003

Plastics and Chemicals Industries Association

Address to Asian Plastics Forum, by Peter Woodall, representing UK Packaging and Industrial Films Association, 19 February 2003.

Safeway plastic bag.

Video cassette entitled *Detmark—Closing the loop on plastic bags*, John Jacob and Associates Pty Ltd.

Canberra, 24 November 2003, by resolution of the Committee

Biodegradable Plastics – Developments and Environmental Impacts, Nolan-ITU Pty Ltd for Environment Australia, October 2002.

National Plastics Recycling Survey 2003 – Main Survey Report, Plastics and Chemicals Industries Association and Nolan-ITU Pty Ltd, September 2003.

Plastic Bag Mandatory Options – Cost and Benefits Analysis, Nolan-ITU Pty Ltd for Environment Australia, June 2003.

