

**Consumer Council Submission on  
Extension of the Environmental Levy Scheme on Plastic Shopping Bags**

1. The Consumer Council (“CC”) is pleased to submit views in response to the Public Consultation on Extension of the Environmental Levy Scheme on Plastic Shopping Bags.
2. CC is pleased to learn from the consultation document that the first phase of the Levy Scheme has been effective and resulted in a reduction of as high as 90% in the number of plastic shopping bags (PSBs) distributed by the registered retailers (covering about 3,100 retail outlets under predominantly chain operators). CC supports the polluters pay principle and has the following to say about the Government proposal to extend the Levy Scheme.
3. CC believes that the registered retailers represent the major source of distribution of PSBs because of their wide territorial coverage, large scale of operation and high business volume. If the Levy Scheme is to be extended to cover all retailers regardless of their business scale, any adverse effect to small and medium enterprises in terms of increase in operational and administrative cost could be offset if the proposed “retention by retailers” approach is adopted and remittance of the charge collected is dispensed with.
4. However, CC would caution against the possibility of retailers resorting to distribution of shopping bags of other materials e.g. paper to get around the requirement to collect the charge. That is not conducive to environmental preservation because of the impact on other resources such as wood and trees. On the other hand, it may be necessary to guard against retailers and consumers resorting to means such as discounts and rebates to defeat the purpose and effect of producers’ responsibility.
5. Therefore, in CC’s view, irrespective of the coverage of the Levy Scheme and the approach to be adopted, the Government would have to demonstrate that the purpose of environmental preservation is thereby achieved. There is need for monitoring or surveillance of the distribution

and use of plastic bags to ensure that there is no abuse. Moreover, it may be necessary to require some form of reporting by retailers so that the effect of the Levy Scheme in terms of amount of money charged or reduction in the number of PSBs can be tracked. The public can also be encouraged to report abuse whether in the form of bypassing charge for distribution of PSBs or distributing substitutes instead.

6. CC considers that there is health ground to support having non-prepackaged food separately contained and the proposal to exempt PSBs that are directly and solely used for food hygiene purposes is reasonable. However, there may be misconceptions and confusions about the PSBs that will fit the criteria. There is a need for the exemption to be clearly defined. Consultation of the food industries will shed light on whether there are other circumstances where the use of PSBs is also justifiable on the grounds of food hygiene so that exemption should also be given.
7. There is another proposal to include “flat-top” bags into the definition of PSBs to be regulated. From CC’s observation, “flat-top” bags are normally thin bags used to contain fresh food or small items. In chained stores, they are often placed in close proximity to fresh food items and consumers are free to take them for containing small volume purchases. “Flat-top” bags serve practical functions of hygiene when used to contain fresh food, but consumers may abuse use of these bags because they are free to take. If PSBs that are directly and solely used for food hygiene purposes are exempted as proposed, the distinction between bags with handles and those without (i.e. “flat-top”) is no longer necessary as long as the food-containing purpose is involved. For serving other purposes, it seems appropriate to include “flat-top” bags under regulation. Alternatively, the size and purpose of “flat-top” bags may need to be restricted to prevent abuse if exemption continues.
8. Education in environmental protection needs to be strengthened and the public should be made aware of the scope of the Levy Scheme and the long-term harm of disposal of PSBs.

9. Financial penalties for non-compliance need to be enforced so that complying retailers would not be disadvantaged.

Consumer Council

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