

**Environmental Levy Bill – Consultation
Response from Friends of the Earth Scotland
May 2004**



Friends of the Earth Scotland welcomes the opportunity to respond to the Consultation on an Environmental Levy Bill. The response below details our support for this proposal which we believe can play an important role in tackling resource use and delivering sustainable development.

Summary:

- **The Environmental Levy Bill is a welcome example of how financial mechanisms can assist in delivering sustainability through taxing resource use, beginning to internalise environmental costs and stimulate behaviour change.**
- **The use of an estimated 1 billion plastic bags in Scotland per year is symbolic of our throwaway attitude to resource use. This represents both an unacceptable waste of natural resources (in both production and transportation), and disregard for the effects of such resource depletion and disposal on the environment and communities.**
- **Tackling resource use is essential if Scotland is to reduce its ecological footprint and fulfil the aspirations of the National Waste Plan to stabilise and then reduce waste arisings.**
- **Plastic bags are a hazard to wildlife and are a source of visual pollution.**
- **Designed appropriately the regressive impact of the Bill would be minimal, as it does not actively force people to pay for plastic bags, but encourages them to use a re-usable bag.**

1) Taxing resource use

Friends of the Earth Scotland believes that the use of taxation methods to stimulate changes in behaviour for the benefit of the environment and wider public good is to be supported. It is one of a number of measures which can contribute to the delivery of sustainable development and environmental justice. There are many examples where the use of financial levies should be more thoroughly considered to internalise costs of goods and practices, where these costs are currently borne by society as a whole rather than those responsible.

The point of the plastic bag levy should be to stimulate customers to avoid paying by bringing their own re-usable bag with them, rather than simply to drive customers to use alternative bags which may be excluded from a levy e.g. paper.

2) Plastic bags and environmental impact

Whilst plastic bags do not constitute the bulk of Scotland's waste arisings for the following reasons their use should be tackled:

- i) Most plastic bags are manufactured from ethylene which a non-renewable resource. This constitutes a waste of a finite resource both in terms of the oil based constituents and energy intense production process.

The energy consumed in the manufacturing process of a singlet HDPE plastic carrier bag and the embodied energy is significant with 8.7 bags equivalent to driving a car 1 km.¹

- ii) Such extensive use and disposal of plastic bags is highly symbolic of the throwaway society which we live in and which must be tackled if we are to reduce our ecological footprint² meet Government commitments to stabilise and then reduce waste arisings, as set out in the National Waste Plan.³
- iii) Plastic bags take up to 1000 years to break down and thus are highly persistent visual pollutants. As noted by the British Antarctic Survey plastic bags have gone "from being rare in the late 80s and early 90s to being almost everywhere from Spitsbergen 78° North [latitude] to Falklands 51° South [latitude]....they'll be washing up in Antarctica within the decade."⁴
- iv) Plastic, including plastic bags are a major hazard to wildlife. According to the Marine Conservation Society's (MCS) Beachwatch 2003 Report, based on 135 km of UK coastline, plastic items accounted for over 50% of the litter found, including 5,831 plastic bags, the equivalent of 43 plastic bags for every kilometre of coastline surveyed.⁵

In the recent survey coordinated by the Marine and Coastal Zone Research Institute in the Netherlands, scientists found that 96% of dead fulmars studied had plastic fragments in their stomachs, double the amount found in fulmars in the early 1980s.⁶

- v) For some local authorities in Scotland plastic bags are a major contaminant in recycling and prevent other household waste uplifted for recycling being successfully recycled.

3) Plastic bag controls elsewhere

Taiwan, Bangladesh, Ireland, South Africa, Denmark, Sweden, Germany and Italy have implemented strategies to deal with the environmental impact of plastic bags.

Ikea have already started charging for plastic carrier bags in a number of countries including Scotland. Ikea report that in Australia this has reduced plastic bag usage by 87%.⁷

4) Implementation of a plastic bag levy in Ireland:

i) Plastic bag usage

The Irish study is reported to have resulted in a 90% reduction in plastic bag use, with some retailers reporting reductions of up to 99%.⁸

As noted in a study of the Irish plastic bag tax one of the main objectives of the Minister in introducing the tax was to raise public awareness of the environment and the study reports that 'it seems to have achieved this objective at very low net cost.'⁸

ii) Retailers views

Retailers are reported to have found the effects on their well being as either neutral or positive and implementation costs being modest and 'generally less than the savings resulting from not having to purchase bags.'⁸

Tesco Ireland have reported that ‘customers are telling us they broadly welcome the introduction of the levy. We have seen a marked change in customers’ behaviour in anticipation of the new levy.’⁹

The Chambers of Commerce of Ireland have similarly welcomed the Plastic Bags Levy ‘The organisation believes that by charging the consumer, it will discourage the inefficient and environmentally unfriendly use of these bags and supports the earmarking of funds collected for environmental projects’

“Charging for every plastic bag that a consumer uses is an effective practice operated in a number of other European countries, including Denmark and it makes the user think before taking a bag to the shop counter. It also makes manufacturers think of more environmentally friendly ways to package their goods.” Tom Clarke, President of Chambers of Commerce of Ireland (CCI).¹⁰

iii) Household views

A survey undertaken in Ireland shows that householders supported the levy with the majority feeling ‘that the impact of the levy in terms of convenience at checkouts and generally was enhanced,’ ‘Virtually all respondents indicated that the impact on the environment was positive, producing a noticeable reduction in plastic bags ‘in the environment’.⁸

Ireland - Survey of Householders, March 2003⁸

% of total surveyed	Impact at checkout	Convenience	Expense	Environmental Impact
Positive	27	31	14	90
Neutral	60	45	60	8
Negative	13	24	26	2

iv) Socio-economic impact

No discernible variation in these responses related to socio- economic status or degree of environmental awareness are reported.⁸ Given that the net costs to both consumers and business are negative or minimal the study report that there is unlikely to be negative distributional effects. The findings of the household survey did not reveal that even those unemployed felt it was ‘unfair.’

v) Displacement

A number of people have raised concerns that the levy has resulted in no net benefit as a result of increased sales of kitchen refuse bags. In Ireland the 90% reduction in plastic bag usage has been accompanied by a 77% increase in sales of plastic kitchen tidy bags. In net terms given the 90% reduction in plastic check-out bags equates to a reduction of one billion plastic bags and a 77% increase in kitchen tidy bags equates to an increase of 70 million of these bags the net effect is an overall reduction in plastic bags of 930 million bags.¹

Consultation questions:

Q1 Views are sought on the most appropriate way for Local Authorities to collect the levy. We are particularly keen to hear from businesses as to how the levy can be collected with the least impact upon their business.

The report referred to above ⁸, refers to the system in place in Ireland which appears to be working well.

Q2 Views are sought from Local Authorities on how much they estimate it would cost them to implement the provisions of the bill.

Q3 Views are sought from businesses on how much they estimate it would cost them to implement the provisions of the bill.

Experience in Ireland suggests that both collecting the revenue and reporting is easily integrated with their VAT collection systems and that the net additional costs are modest being offset in the longer run by cost savings made through not having to purchase plastic bags. ⁷

Q6 Views are sought on whether or not certain businesses should be exempt from the provisions in the bill. In providing such suggestions it would assist if respondents would specify which businesses and give reason to support their suggestions.

We do not believe that certain businesses should be exempt, however we note that in Ireland exemptions have been made for goods that are bought from businesses at ports and airports.

Q7 Which plastic bags, if any, do you feel should be exempt from this scheme?

We do not believe that 'bio-degradable' plastic bags should be exempt. Degradable plastic bags should not be exempt from the levy as they have the same short-term visual and nuisance effects as non-degradable bags and have a sufficient lifespan - sometimes up to six months - to impact negatively on the environment and pose a hazard to wildlife. The use of degradable bags does not address the issue of reducing resource use and tackling the throwaway attitude to resource use.

Q8 What are your views on an appropriate amount for the levy to be set at? It would be helpful if you could provide the reasons for your suggestion.

The amount at which the levy is set needs to actively discourage people from taking plastic bags unnecessarily and thus stimulate a change in behaviour. In Ireland, the levy is set at 15 cents (10p) per bag and we would suggest that this is the minimum that should be considered for Scotland.

Q9 Do you believe that the money raised from the levy should be ring fenced for use in environmental projects? If so what are the environmental issues it should be spent on?

The funding should be ring fenced for environmental projects aimed at tackling resource use, encouraging re-use and recycling with a strong focus on support for community based waste and resource use initiatives.

References:

- 1) Nolan-ITU Pty Ltd 2002. Plastic Shopping Bags - Analysis of Levies and Environmental Impacts, prepared for the Department of Environment and Heritage, Canberra.
- 2) Ecological footprinting
- 3) National Waste Plan, 2003. Scottish Executive.
- 4) http://news.nationalgeographic.com/news/2003/09/0902_030902_plasticbags.html
- 5) <http://www.wildlifebritain.com/news.cfm/id/232>
- 6) http://www.guardian.co.uk/uk_news/story/0,3604,1190058,00.html
- 7) <http://www.planetark.com/plasticbags/HuntersHillBagGiveaway.pdf>
- 8) Convery, F. and McDonnell, S. 2003. Applying Environmental Product Taxes and Levies- Lessons from the Experience with the Irish Plastic Bags Levy. Department of Environmental Studies, University College, Dublin, Richview, Clonskeagh, Dublin 14, Ireland
- 9) www.news.bbc.co.uk/1/hi/world/europe/1850798.stm Plastic bag levy on way, 2 March 2002.
- 10) <http://www.chambersireland.ie/index.asp?docID=382> Plastic Bags Levy Welcomed – Call for User Pays Principle to also be Applied to Water. 2003

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