

Civic Party Position Paper on Environmental Levy on Plastic Shopping Bags

The Government Proposal

The Government proposes to introduce, under the Producer Responsibility Scheme (PRS), an environmental levy of 50 cents on each plastic shopping bag requested by customers. In the initial stage, the levy will apply to chain or large supermarkets, convenience stores and personal health and beauty stores, which make up less than 4% of HK's retail outlets. It will not cover the small-scale, individual neighbourhood retail stores and the local markets. Also, the levy will not apply to reusable shopping bags sold for \$5 or more each.

Comments on the Proposal

We have the following queries on the scheme:

- (a) The designation of stores and retail outlets is not apparent to the public. Apart from known major supermarkets (e.g. ParknShop, Wellcome) and chain convenience stores (e.g. 7-11, Circle K), the public may have difficulties in distinguishing those that are subject to the environmental levy from those that are not.
- (b) A flat scale charging system (for bags large or small) would encourage customers to demand the larger shopping bag available even when it is not necessary, hence leading to wastage. For example, at the healthcare and beauty stores, many items can be carried in small shopping bags.
- (c) The levy may lead to some shop operators switching to use of paper bags. The Government should introduce complementary measures to reduce its usage.
- (d) It appears that the grouping of stores is selected on basis of administrative convenience, rather than on high usage ground. For example, at many retail food shops and the dry and wet markets, far more no. of plastic shopping bags are used to wrap and carry individual items. The Government needs to explain whether or not high user groups will be covered in the later stage.
- (e) Why reusable shopping bags sold for \$5 or more (and not less) are exempted from the levy? How the levy could result in a 50% reduction of plastic

shopping bag disposal in landfills, from 1.8 billion to 1 billion? Some explanations are needed.

- (f) Government has not disclosed the full information required to assess the effectiveness of the scheme, e.g. additional staff and financial resources to implement the initial scheme, timing of the review on its performance and the future plan. The review is necessary as the implementation problems and public concerns can be addressed and improvements made in the later stage.

Holistic Approach

The Civic Party believes that to tackle the indiscriminate use of plastic shopping bags, a holistic approach should be adopted, taking account of the targets under the Policy Framework for Management of Municipal Solid Waste (2005 – 2014).

Whilst the indiscriminate use of plastic shopping bags should be dealt with, there should be complementary measures to encourage environmentally friendly habits, such as the ‘bring your own bag’ (BYOB) or the ‘bag for life’ schemes. The money collected from the levy should be used to set up a Special Fund for targeted solid waste reduction and recycling projects.

Civic Party Position

1. The Civic Party appreciates the selection of stores and retail outlets in the initial stage, which is to facilitate the scheme to get an early start. However, there should be a firm Government commitment, one year after implementation, to review its performance and advise the public of any future plan to extend the scheme to cover other shops.
2. From experience overseas, the initial scheme may result in some unintended consequences, e.g. more use of paper bags, which involves more tree felling, and the possibility of higher levy later on to maintain the deterrent effect, as in Ireland.
3. The Party agreed that biodegradable plastic bags should not be exempted from the levy. There is no environmental gain from using these bags as they are made from starch (derived from crops and plants) and require more resources (energy) to produce them than (petroleum based) plastic bags. Eventually they still have to be buried in landfills. However, they are suitable for disposal in composting plants.

4. The Party considers that greater effort should be devoted to educating/influencing the public to using reusable shopping bags. For example, major shop operators and retailers could introduce the 'Penny Back' scheme to reward those shoppers who bring their reusable bags or the backpackers. At the same time, the Government should promote the (attractive) design, production and usage of durable reusable shopping bags.
5. The levy collected (about \$200M per year) should not go to General Revenue. It should be used to set up a Special Fund to provide incentive for specific plastic waste reduction projects, e.g. to change the behaviour of 'use-once and throw-away' plastic lunch boxes sold in schools and fast-food restaurants. It will be necessary to formulate new policy and legislation to implement the schemes which are listed below:
 - (a) Discontinue the current practice of primary school caterers providing pre-packed lunches in polypropylene (PP) plastic boxes, which are thrown away after use. Instead, caterers will be required to supply and distribute foods to pupils in reusable plastic containers or plates, which would be cleaned after meals for reuse. According to *Consumer Choice's* estimate in 2001, it should be possible to save about 280,000 pieces a day. However, it may be necessary to allocate resources to some schools to enable them to provide proper canteens and washing facilities.
 - (b) In many fast-food restaurants, customers could be encouraged to bring their own food containers for a nominal discount of, say \$1. The restaurant operators will be reimbursed out of the Fund upon submission of the audited account.
 - (c) As explained earlier, dry and wet markets generate a large no. of plastic shopping bag waste. From initial discussions with the operators, it should be feasible to revive the old practice of using natural strings (鹹水草) to tie/hold the items in lieu of using plastic bags.

The logistics of the above schemes will need to be worked out with concerned parties.

7 July 2007