

ENVIRONMENT AND RURAL DEVELOPMENT COMMITTEE

Wednesday 9 November 2005

Session 2

£5.00

© Parliamentary copyright. Scottish Parliamentary Corporate Body 2005.

Applications for reproduction should be made in writing to the Licensing Division,
Her Majesty's Stationery Office, St Clements House, 2-16 Colegate, Norwich NR3 1BQ
Fax 01603 723000, which is administering the copyright on behalf of the Scottish Parliamentary Corporate
Body.

Produced and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by Astron.

CONTENTS

Wednesday 9 November 2005

Col.

ENVIRONMENTAL LEVY ON PLASTIC BAGS (SCOTLAND) BILL: STAGE 1	2357
---	------

ENVIRONMENT AND RURAL DEVELOPMENT COMMITTEE

28th Meeting 2005, Session 2

CONVENER

*Sarah Boyack (Edinburgh Central) (Lab)

DEPUTY CONVENER

*Mr Mark Ruskell (Mid Scotland and Fife) (Green)

COMMITTEE MEMBERS

*Mr Ted Brocklebank (Mid Scotland and Fife) (Con)

*Rob Gibson (Highlands and Islands) (SNP)

*Richard Lochhead (North East Scotland) (SNP)

*Maureen Macmillan (Highlands and Islands) (Lab)

*Mr Alasdair Morrison (Western Isles) (Lab)

*Nora Radcliffe (Gordon) (LD)

*Elaine Smith (Coatbridge and Chryston) (Lab)

COMMITTEE SUBSTITUTES

Alex Fergusson (Galloway and Upper Nithsdale) (Con)

Trish Godman (West Renfrewshire) (Lab)

Jim Mather (Highlands and Islands) (SNP)

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD)

Eleanor Scott (Highlands and Islands) (Green)

*attended

THE FOLLOWING GAVE EVIDENCE:

David Cullum (Scottish Parliament Directorate of Clerking and Reporting)

Ross Finnie (Minister for Environment and Rural Development)

Richard Grant (Scottish Executive Environment and Rural Affairs Department)

Mike Pringle (Edinburgh South) (LD)

Simon Stockwell (Scottish Executive Environment and Rural Affairs Department)

CLERK TO THE COMMITTEE

Mark Brough

SENIOR ASSISTANT CLERK

Katherine Wright

ASSISTANT CLERK

Christine Lambourne

LOCATION

Committee Room 4

Scottish Parliament

Environment and Rural Development Committee

Wednesday 9 November 2005

[THE CONVENER opened the meeting in private at 10:05]

10:35

Meeting continued in public.

Environmental Levy on Plastic Bags (Scotland) Bill: Stage 1

The Convener (Sarah Boyack): Welcome to the Environment and Rural Development Committee. This is our final evidence-taking session on the Environmental Levy on Plastic Bags (Scotland) Bill at stage 1. The committee's role as lead committee at stage 1 is to consider the provisions of the bill and to report to Parliament, recommending whether the general principles of the bill should be agreed to.

Mike Pringle is here not as a member of the committee, but as the member in charge of the bill. He may ask questions and participate, but he will not get to vote. We are not planning any votes this morning.

I welcome the first panel of witnesses: Ross Finnie, the Minister for Environment and Rural Development, and his officials.

The Minister for Environment and Rural Development (Ross Finnie): With me this morning are Barry McCaffrey from Scottish Executive Legal and Parliamentary Services; Richard Grant, who is in charge of the waste section in the Scottish Executive Environment and Rural Affairs Department; and Simon Stockwell, who has a particular interest in recycling and waste.

We all understand where Mike Pringle is coming from in introducing the bill. We are all concerned about litter and waste and about measures to deal with them. The Executive also has concerns. The national waste plan is being implemented and is making progress. According to the latest available figures, we have raised the percentage of waste being recycled and composted to 17.3 per cent, although we still have a long way to go.

To encourage waste prevention, we are funding the Waste and Resources Action Programme to carry out work on real nappies and home

composting with retailers. We are in the final stages of preparing a detailed consultation paper on waste prevention that will cover, among other things, product design, manufacture, the impact on retailers and consumers, consumer behaviour, communities, and the role of local authorities. It will seek views on where the Scottish Executive should concentrate its efforts in order to have a real impact on household waste prevention.

We understand that preventing waste is not easy; it is complex. It involves changes to consumer behaviour. One of the aims of Mike Pringle's bill is to change consumer and retailer behaviour. There is no doubt that there is evidence of the profligate use of plastic bags. Research carried out by WRAP refers to:

"Packers at the checkout being quite profligate with the single use bags"

We suggested some 18 months ago to the Scottish Retail Consortium that it should establish a voluntary code of practice on the handing out of plastic bags. We have also supported WRAP in its trial in Edinburgh and Bristol to promote the reuse of bags. Progress, however, has been very slow. Therefore, it is legitimate to consider how we deal with those matters in the round.

The Executive has tried to inform the debate on the bill. We commissioned and published the study by AEA Technology Environment, which suggests that plastic bags are not a significant contributor in tonnage to the waste problem. The study also suggests that there would be an environmental benefit from a levy in five of the eight indicators that were examined, but there could also be an increase in the overall amount of waste in Scotland, given a possible switch to paper bags, because of the bulkier nature of those bags. However, any increase in waste would be limited.

We have prepared, as required, a regulatory impact assessment. It suggests that around 400 jobs could be affected by a levy on plastic bags, around 100 of which relate to manufacturing. It suggests that large food retailers would gain from the levy because they would hand out fewer bags and perhaps sell more bin-liners and bags for life. The report also suggests that non-food retailers would not do well because of the cost of alternative packaging. Small to medium-size enterprises could lose out because of the higher cost of alternative bags and the bureaucracy involved with some of those measures.

At the convener's request, we have prepared a note on the environmental implications of the bill. We are happy to expand on those comments, but we do not think that the points raised make fundamental changes to the overall assessment set out in the AEA report.

I think that the committee will agree, after listening to the evidence, that the proposed levy on plastic bags, which appears to have an environmental benefit, is perhaps more complex than was at first thought. The Executive has not taken a position on this member's bill, but we, like committee members, have listened carefully to the evidence presented to the committee.

If the Parliament approved the bill, it would be for the Executive to establish an implementation group involving business, local authorities and the Scottish waste awareness group to consider how best to develop those measures. A number of amendments would be required, including possible changes to the provision relating to exemptions, commencement and the procedures for registering and sending returns to local authorities. The Scottish Executive would require some time to ensure smooth implementation of the bill, if it were passed. The Scottish Executive would also have to allocate resources to some of the measures, and retailers and the plastics industry would also need time to adapt.

That outlines our view on the current position; I will take committee members' questions.

The Convener: Thank you, minister. That addresses some of the areas about which we want to ask.

Mr Alasdair Morrison (Western Isles) (Lab): My first point is about something that you mentioned in your opening statement, minister. You said that the Executive will publish shortly a waste prevention strategy document. Given that the Executive will not assume or articulate a position on Mike Pringle's bill, we should hear further from you about measures that might ultimately benefit the environment.

Ross Finnie: We have an overall responsibility. I welcome the increased debate about this difficult subject. We have been working on it for some time and the end product of that work will be a consultation paper that will cover a huge range of waste prevention measures. The bill is a specific, targeted measure, but the consultation paper will start with product design and look at the manufacture of products. It will concentrate on retailers because a huge amount of waste arises from products that are packaged. The work will look at consumer behaviour, communities and the role of local authorities. We are looking at the matter in the round. I cannot anticipate whether the consultation will produce particular measures in individual segments. However, our overall aim is to try to develop better ways of dealing with the high volume of waste arisings. That is a big issue and a matter on which the committee has pressed me for some time. I wish that I had an instant solution, but I do not. I hope that the consultation will try to address those key areas.

10:45

Mr Morrison: Can you give any indication of whether, ultimately, you would ever dream of coming up with a bill that was based on the principles of Mr Pringle's bill?

Ross Finnie: We have not come to a view on that. We have not decided whether it would be incumbent on us to use quasi-fiscal measures—which such measures would have to be because they would not be a tax. We have an open mind on that. I am disappointed that our attempts to encourage retail consortia to act voluntarily to reduce their waste have not been more successful; nevertheless, there have been movements. WRAP has been successful in some areas, but that has never quite been at the end product. There has been substantial movement on the amount of material that is used by retailers, for example, from the point at which they take goods to their central depots and in their distribution to their retail networks. However, the manufacturers of those goods have not been as diligent in reducing the amount of waste that is generated and taken into the waste stream.

The Convener: Thank you. *[Interruption.]* Somebody must have a mobile phone on near the microphones. I ask members to check.

Elaine Smith (Coatbridge and Chryston) (Lab): Good morning, minister. Given the initiatives that you have outlined, and given the fact that the Irish Government considered the matter some time ago and implemented it, why did the Executive never consider a levy on plastic bags—or did it?

Ross Finnie: At that time, as you heard from the Irish officials, the Irish Government embarked on a number of initiatives of which the plastax, as it is known, was one. It also undertook initiatives on recycling and other measures. We have tended to concentrate on trying to create a national waste strategy, largely on the ground that our recycling and composting record was among the poorest in the whole of Europe. We did that not on a top-down basis, but on a bottom-up basis, by creating the area waste plans, bringing them together in the national waste plan and then allocating some £230 million to £300 million to the national waste strategy to get it kick-started. Contemporaneously, we were engaged with WRAP and Remade Scotland on waste reduction. We did not go down the road of a plastic bag levy.

One of the things that Mike Pringle has exposed is the possible use of local authorities as the means of raising a levy. As you are aware, taxation is a reserved matter and not competent for the Scottish Executive. There were also issues around having a single point of collection, as opposed to 32 points of collection. However, we chose to pursue different routes.

Elaine Smith: If the bill were not passed, would you consider taking the matter forward and looking into it further, now that you have realised that what it proposes could be done in Scotland via a levy rather than a tax? Would you set up implementation groups anyway?

Ross Finnie: As I have said, if the bill is passed it will be incumbent on us to try to ensure that the bill is properly implemented. That is the responsible position.

Elaine Smith: But if, after all the evidence had been heard, the matter proved rather complicated—as you said, in your opening remarks, that it is—and the bill was not passed, how would the Executive, having identified a number of issues, proceed on the matter?

Ross Finnie: Like you, we are keen to hear all the evidence that has been adduced and led—and the promoter has yet to give his evidence

The matter has been exposed as complex. On the one hand is the impact on the total amount of waste arisings. The other proposition, which has emerged largely from the Irish experience, is the possibility of influencing behavioural change. In the middle of that is the requirement to levy the tax through the 32 local authorities. All of us who have listened to the evidence want measures that have a positive impact, but we have found that the argument is more finely balanced than we thought at the outset.

I have not reached a conclusion. However, across the piece, given the total amount of waste that is created, I must attack many other streams to make an impact. I am clear about that. We produced the consultation paper because the total amount of waste involved is not very large, as the evidence to the committee has identified. I must get the Executive and the Parliament behind taking action on a much broader basis, if we are to have a real impact on the total amount of waste.

Elaine Smith: I will take that a wee bit further. In the last two bullet points of your submission, you note

“that the plastics industry have said that”

there could be

“around 300-700 job losses in Scotland”

and

“that the proposed levy on plastic bags could cost the average consumer around £10.58 a year.”

The tax would hit those who are poorer more than it would hit the better-off. We have mentioned the possible cost to each local authority of enforcement and administration. If the figures for job losses and the costs to consumers and local authorities were true, would the levy's advantages make them worth while?

Ross Finnie: That must be examined in the round after we have sat back and considered all the evidence. I am clear about the fact that as we progress an environmental agenda, there will be times when existing jobs are threatened because they involve an activity that, on balance, is detrimental to the environment. That is not to say that we will not create other job opportunities. The Executive has been at pains, particularly in setting out the green jobs strategy, to show that shifting the environmental debate does not in the round threaten jobs per se, although difficulty may arise with some jobs.

We must deal with your question, on which the Executive has not reached a view. If a clear environmental advantage is demonstrable, we may have to face up to the prospect of other costs. All the evidence must be assessed in the round. The Executive has not taken a position, because we are giving Mike Pringle the opportunity to articulate his case.

Richard Lochhead (North East Scotland) (SNP): The minister said at the beginning that he hoped that the Executive's waste strategy would help to change consumer behaviour, because that is the best way to cut down the amount of waste that is produced in Scotland. One argument in favour of the bill is that introducing a levy on plastic bags would favourably influence the behaviour of consumers and the retail sector. Does the minister agree that if the bill were passed, it would have a positive influence on consumer and retail sector behaviour?

Ross Finnie: The committee has heard evidence about the Irish experience. In Ireland, a range of measures is in play, including the plastic bag tax and recycling activities. The cumulative effect has been a general improvement in behavioural patterns.

We have taken a slightly different approach. It is self-evident that we have no plastic bag tax, but we have put in a huge amount of time and effort and local authorities have given much time, effort and publicity to the recycling programme. I have no doubt that that programme's success is down to the individuals and communities that have responded to the messages and whose rate of change in behavioural patterns has altered. I cannot say whether such an approach will add or help—after all, we are starting from slightly different base levels—but I am in no way suggesting that it will be unhelpful. Clearly we need to change various aspects of individual behaviour with regard to waste and the environment.

Mr Ted Brocklebank (Mid Scotland and Fife) (Con): Minister, you said that so far the arguments appear to be finely balanced, and we have certainly heard a lot of conflicting evidence on the

matter. However, we have not yet seen any accurate analysis from the Executive, first, on the argument that the manufacture of paper bags impacts on the environment because having to grow more trees means using up more carbon dioxide and, secondly, on the argument that, because plastic bags are made from gas that might be flared off, they do not especially use oil resources. We have heard a fair bit of evidence about what happens once plastic and paper bags are made, but we have heard less about and have less information on the virgin materials that go into these products. Are you able to tell us any more about that?

Ross Finnie: I regret to say that I am not an expert on the content and manufacture of the different kinds of bags. To be honest, we are concerned about the environmental streams. The AEA report sets out its best estimate of the matter; however, this is not a precise science and the issue is confused largely by how materials are sourced. The evidence that you have gathered shows that some materials might be generated indigenously, but many, particularly those used in the plastic bags industry, are not. As a result, we have tried to use the AEA report to reach a best estimate of the amount and environmental impact of the original raw material used at the point of manufacture and to convert that into a figure for the tonnage of material that comes into the waste stream in Scotland. The equation is not easy and, unless Richard Grant has something to say, I do not think that there is anything that we can add in that respect.

Richard Grant (Scottish Executive Environment and Rural Affairs Department): The virgin material that is used for those products is a small proportion of the virgin material that is available for alternative but similar products. If demand for that material falls, the timber that is used in paper bags might be used in other ways and the oil by-product that is used to make plastic bags might be used for other plastic products.

After examining the environmental impacts of both industries, AEA identified that any possible adverse consequences would occur mainly at the manufacturing end and, as members will see, scaled the matter in its report. That said, given the volume of material that we are talking about, I am not sure that the use of the material is a major factor. However, we can check that with AEA.

The Convener: The question arose because we feel that the issue could be considered in the environmental impact assessment of the bill. Indeed, following on from Ted Brocklebank's question, I wonder whether the Executive has any technical or environmental views on the different types of bags that are available. We have taken a lot of evidence on the merits of different types of

plastic, such as that used in biodegradable bags; indeed, witnesses have disputed which bags are the most environmentally friendly. We are keen to find out such information as it will be important if the bill is to exempt certain bags and to cover others.

Ross Finnie: I am not entirely sure who we should consult further on this matter. I know that the committee has received evidence that sets out one view of the use of biodegradable bags; however, the AEA report says that they do what they say on the tin, although the evidence suggests that they release gases as they biodegrade. The counter-argument to the benefit of the bags being biodegradable was what happened as they biodegraded, which was set out in the AEA report.

The other difficulty that we have is the range of bags, both in plastic and paper. We found that almost every time we asked a question we had done so on the basis of one range of bags, but then the range had been extended to include more, so we had to ask again. We, like you, are not finding it easy to get a simple answer to the questions. Indeed, Mike Pringle raised a legitimate query this morning, the answer to which was that a range of bags were being used.

11:00

The Convener: We have to consider the litter perspective and the issue of how the materials used are either recycled or disposed of. There is also the issue of reuse, which is of course higher up the waste hierarchy. It is about making a judgment on at what point action is appropriate.

I will not hog the agenda.

Nora Radcliffe (Gordon) (LD): I have a slightly tricky question. Do you think we get a fair evaluation of the impact of plastic bags in the waste stream if we quantify it only by weight and volume?

Ross Finnie: No. The end stage is about the weight and volume that goes into the waste stream. Further up the hierarchy, before the material gets to the waste stream, there are issues about the environmental impact of its manufacture—that applies to bags across the piece. We have to consider the primary use of a material and whether it is able to be reused or recycled. To assess properly its environmental impact we have to consider its lifetime use and the points at which it impacts on the environment. We have to consider its initial manufacture and initial use, then whether it is reusable or recyclable. We then come to the point at which it goes into the waste stream and the impact of that tonnage and volume in the waste stream. We cannot just consider the end result; to assess the impact we have to look across the piece.

Nora Radcliffe: It is difficult to quantify what weighting—pardon the pun—we should give to visual impact and potential hazard to wildlife. It is a tricky question.

Ross Finnie: Indeed. That is what I mean when I talk about the material's lifecycle. Elements that have gone into other environmentally damaging uses are not captured in the waste stream data.

Nora Radcliffe: I want to shift ground slightly by asking two questions. We heard evidence that the levy might be challenged under European law. Has the Executive thought about that? Would the levy be subject to VAT?

Ross Finnie: We are not aware that a challenge would be sustained under European law; that would be difficult, given that there is clear opinion that using the route suggested in the bill is legitimate and that our parliamentary authorities have deemed the bill competent at the point of introduction. Someone might challenge it, but we are not aware of evidence to support the view that—

Nora Radcliffe: You do not see that as a credible concern.

Simon Stockwell (Scottish Executive Environment and Rural Affairs Department): On VAT, we have asked HM Treasury whether it thinks the levy will be subject to VAT. We have not received a definitive answer, but it has said that its initial view is that it probably would be.

The Convener: Would that mean that if the levy were specified at 10 per cent, it would be 10 per cent plus VAT, or could the levy be set at 10 per cent, including VAT? What is your interpretation of the bill as it stands?

Simon Stockwell: If the levy were subject to VAT, my interpretation is that it would be 10p, for example, plus VAT, which would bring it up to 12p. However, that is dependent on our getting firm views from the Treasury and on any amendments to the bill.

The Convener: Would reusable bags—the bags for life—be subject to VAT as well? Would the levy on them be five times 10p, plus VAT?

Simon Stockwell: I do not think that those bags would be subject to the levy, so the retailer would be forced to charge a minimum of 50p for them. I would have thought—this is off the top of my head—that VAT could be included in that, as it would be the retailer making the charge rather than the levy kicking in. We would need to check that with the Treasury to be certain.

Ross Finnie: That is a matter on which we need a definitive response, and we have not had that yet.

The Convener: So, at the moment, the answer is, "Probably."

Nora Radcliffe: Elaine Smith has raised an interesting point. Could the retailer give away the bags for life for nothing?

Elaine Smith: It would be up to the retailer to charge for them.

Nora Radcliffe: It would be up to them to choose, I presume.

The Convener: Does the bill not specify that bags for life must be sold at five times the rate of the levy, plus VAT?

Simon Stockwell: Yes, it does.

Ross Finnie: Yes.

Mike Pringle (Edinburgh South) (LD): Can I add something on the subject of VAT? We have looked into the matter and have been told that bags for life are not a service; therefore, they are not vatable.

The Convener: Well, we got a different view from the Executive's lawyers.

Ross Finnie: You did not; you got a different view from the Treasury, if you do not mind my making that clear.

The Convener: Okay. We think that we got a different view, as expressed through a Scottish Executive lawyer and the minister, that VAT would probably be charged. We will come back to that, and we will ask Mike Pringle the same question later.

Mr Mark Ruskell (Mid Scotland and Fife) (Green): Minister, in your opening comments, you said that, if the bill survived the vote at stage 1, you would be minded to lodge some amendments at stage 2. You mentioned amendments on exemptions and on the procedures for collection of the levy. Can you expand on those two points for us?

Ross Finnie: The points that we would wish to ventilate with Parliament would be to do with administration. You have heard evidence on the administration of the bill and the fact that, at the moment, the bill is directed at all plastic bags. I can understand that, as drafting becomes quite difficult if one tries to draw distinctions. However, from listening to some of the evidence, it seems to us that, to improve the administrative simplicity of the bill, the committee might want at least to consider introducing exemptions for smaller retailers or increasing the number of exemptions that are presently set out in the bill. The objective of that would not be to obviate the purpose of the bill; it would be simply to lighten the administrative burden in relation to the collection of the levy and its enforcement.

Mr Ruskell: Would that include exemptions for charity shops and small to medium-sized enterprises?

Ross Finnie: It could; we are talking about businesses in those areas. From listening to the evidence that has been put to you, we think that there are issues about not having a disproportionate level of administration in the collection and implementation of any levy.

Mr Ruskell: What about exemptions for certain types of bag? Would you consider such exemptions?

Ross Finnie: We could consider them, but if my intent is to simplify the procedure, I might not achieve that by including in the bill a range of bags, some of which are exempt and some of which are not. My mind is open on that. If there were environmental reasons for having such exemptions, we could consider taking that approach.

The Convener: One of the points that was made to us by the charitable sector was that it reuses bags. If a charity shop was to hand out bags that had been handed in by people who had made donations, it would have to charge a levy on them. That would seem to go against the environmental objective of encouraging people to reuse bags.

Ross Finnie: We heard that evidence, too. As I said to Mark Ruskell, that is one of the reasons why we believe—for administrative and other reasons—that there may be a case for lodging amendments to improve the administrative efficiency of the bill.

The Convener: We could accept the aim of administrative efficiency, but there is also the environmental aspect to remember. That is useful—I just wanted that on the record.

Mr Ruskell: Would that be an exemption for charity shops or an exemption for reused bags in charity shops? One could crack it both ways.

Ross Finnie: As the minister, not the parliamentary draftsman, I think that I have gone as far as I can in explaining what my intent might be if the bill were to get the approval of Parliament.

Mr Ruskell: It is useful to hear your concerns on those two points.

I would like to ask another quick question. You talked about your dialogue with the Scottish Retail Consortium, which has adopted a voluntary code of practice, and some progress is being made. Have you ever spoken to the Scottish Retail Consortium about introducing a voluntary levy? It seems to me that B&Q's approach has been successful, and if it were adopted across other major multiple retailers, perhaps we would not even need the bill. What is your view?

Ross Finnie: Our discussions, with both the Scottish Retail Consortium and the British Retail Consortium, and indeed from time to time with other retailers, have been simply about trying to do something to reduce the number of bags used. When we started those discussions, which were separate from our consideration of Mike Pringle's bill, they were more about the serious issue of litter, which drifts and gets into streams, burns and waterfronts, as you and Nora Radcliffe are well aware. As WRAP said, people may need three bags for their shopping but they are handed 12, for reasons that are never clear, except that the bags are efficient and cheap to manufacture.

We have tried from a litter point of view to reduce the number of bags used, but that has been done either through voluntary codes or by suggesting that charging for bags might improve consumers' behaviour. However, we have been struck by the fact that it is not always the consumer who fills the shopping bag and then takes another six bags and puts them into their trolley. It is the employee of the supermarket who tends to throw the extra bags in the consumer's direction, like confetti. The consumer fills those that they can and gathers the rest in their trolley. They take the full bags home or put them in their vehicle, and the empty bags then sit in the car park and become litter. Those are the issues on which we have been trying hard to get codes of practice in place; we have also tried to get retailers to train their staff to control the use of plastic bags. Indeed, we have suggested that there should be receptacles in the car parks of the major retailers, so that surplus bags can immediately be put in them and not be carried windborne to wherever they may end up. We were disappointed with the slowness of those efforts. When B&Q, Ikea and Lidl started to nibble and to impose a charge for plastic bags, we hoped that that would generate more interest and a little more momentum, but the results have been disappointing.

Mr Ruskell: What do you think is the main reason for that? Why are the major multiple supermarkets, which produce the bulk of the bags, not moving to introduce a levy? It seems to be saving B&Q money and it seems to be working, given that the amount of bags produced is reducing by about 90 per cent.

Ross Finnie: You are asking me to enter into the minds of those who run supermarkets, and I am reluctant to do that. All that I can say is that two or three of the bigger retailers—they are quite prominent in Scotland—have been more enthusiastic and more concerned about having codes of practice, staff procedures and receptacles in their own premises and in the curtilage of their own properties, so that surplus bags can be disposed of or gathered and reused immediately, rather than contribute to the litter.

problem. However, that is about as far as we have got. We have not discerned a willingness to introduce a levy across the board.

Maureen Macmillan (Highlands and Islands)

(Lab): We have heard evidence that the non-food retail sector might move to paper bags. Paper bags, on the face of it, seem nice, friendly, recyclable items. However, many paper bags are waxed or have plastic handles, or might be part paper, part cellophane. Therefore, there could be problems with recycling them. Would the Executive like the bill somehow to address the matter of paper bags and the types of paper bag that might attract a levy, to steer retailers in the direction of using properly recyclable paper bags?

11:15

Ross Finnie: That is certainly an issue. It was raised quite prominently in certain parts of the AEA report. You have put your finger on it: we could not contemplate simply introducing a levy on paper bags. A clear argument could be adduced about their capacity to be produced from recycled material or in a way that makes them recyclable.

We get down to the issue, as you have very properly described it, of bags having non-recyclable coverings, coatings, handles or other parts. I suppose that it becomes more of a matter of equity between the respective industries, and we then get back to the general desire to reduce the total amount of waste. The actual total amounts in the waste stream are relatively small when it comes to bags. However, there is a behavioural issue to take into account. The argument is finely balanced.

Maureen Macmillan: Is that a yes or a no?

Ross Finnie: I am reluctant to say—there has been no consultation on that aspect, so I would not wish to pronounce upon it. The AEA report raises the issue—which you also raise and which has been raised in evidence to the committee—of bags that are either clearly not manufactured from recycled material or not themselves capable of being recycled. You might ask yourself why we should levy one type of bag but not the other.

The Convener: That point was raised by the retailers in particular. It became apparent that the major non-food retailers are already investigating the possibility of shifting to paper. We want there to be reuse, but such a shift would not deliver reuse automatically. It is a live issue. That is why we are trying to get evidence on it.

Nora Radcliffe: I was struck by the fact that the AEA report seemed to assume that 100 per cent of paper bags would go to landfill. That is probably a bit unfair, given all the efforts that have been made to persuade people to recycle paper.

Ross Finnie: That is right. That would not be the case. We could make a whole range of assumptions as to the percentage of bags that are recyclable, the percentage that are made from recycled material and the percentage that have non-recyclable parts. The assumptions are clearly stated, at any rate.

Maureen Macmillan: A shift towards paper bags would use up more forestry resource. You have responsibility for forestry. Do you think that we have the capacity to grow trees for ever more paper bags, as well as growing more trees for biomass? Will it be a case of importing more and more wood pulp?

Ross Finnie: Irrespective of the merits of the bill, our clear objective is to reduce the total amount of waste. We must find mechanisms to help to achieve that aim as far as paper is concerned. The bill addresses a very important issue, but if we were to contemplate how much of the packaging material for the goods contained in our plastic bags is necessary, required or desirable, we would find that that material probably has more impact on the threat to forests than the bags themselves.

I indicated at the outset my wish to consult more widely. I am keen that we make a serious impact on reducing the total amount of packaging material used by both manufacturers and stores. I would prefer us to use the residual element of forestry products for biomass rather than continue with the unsustainable practice of filling bags with products that, if we got rid of half of the packaging material, would take up half the volume—or less.

Maureen Macmillan: So you are looking to reduce paper packaging.

Ross Finnie: We really have to reduce all types of packaging. That is the big issue.

Maureen Macmillan: Might the bill work counter to that aim?

Ross Finnie: I do not know about that. The bill has a specific purpose. In answer to your question about the sustainable and sensible use of our forest resource, I am saying that creating more and more packaging is not such a use. Our medium and long-term objective is radically to reduce the total volume of packaging.

Rob Gibson (Highlands and Islands) (SNP): We have considered the Irish Government's decision to back a levy on plastic bags. If the bill were passed, would the Scottish Executive be able to put in the same amount of resources as the Irish Government has put in to make the measure work?

Ross Finnie: As I said, the Irish Government did not put resources into only one environmental measure. As I understand it, the levy was one of a

suite of measures that the Irish Government introduced on environmental grounds. As I alluded to earlier, those measures seemed to result in a marked improvement in littering and recycling behaviour. As you know, the Scottish Executive has put £230 million into a national waste strategy, which is certainly having as much of an impact on behavioural patterns in relation to recycling and composting of domestic waste. Across the piece, we are happy to commit resources where we believe that we are trying to meet clear objectives.

We are not talking about entering the market at the same time. The question might be more legitimate if Ireland was about to introduce a tax, but we are at different stages of development. To use an oft-quoted statistic, we have reached our recycling rate of 17.3 per cent of waste by different means, which have required the application of considerable resource.

Elaine Smith: We all support reducing, reusing and recycling, but I want to return to a comment that you made earlier about the amendments to the bill that might be needed because consultation has not been carried out on various issues. There are questions about the AEA report, which said that biodegradable bags do what they say on the tin. Do you believe that the bill does what it says on the tin, or would it need to be substantially amended to have that effect? I am curious about why you say neither that the bill is good and that you can make it work, nor that it is not good and that you cannot make it work but you will do something else. Instead, you say that you take no view on the bill, which I find a little bizarre.

Ross Finnie: The bill makes two claims. One relates to the total waste stream; the other relates to the potential impact on behavioural patterns. We are reserving our position to allow us to listen to the full case. It is agreed that, on the first claim, the reduction in the total waste stream would not be high. The issue on which we must pause for thought is the impact that the bill might have on behavioural patterns and what the comparisons are. Rob Gibson and other members touched on that point. That is a much more difficult issue, which is why I say that the evidence there is more finely balanced.

Listening to the evidence, we have been struck by the fact that imposing a levy is the bit in the middle that tries to balance the total amount of waste and people's behavioural patterns. Such a levy is perfectly proper and legally correct, but it is more complex than a single national tax. The responsibility for collecting it would be devolved to the 32 local authorities, which would have to deal with each of the retailers.

On amendments to the bill, what I suggested—and I expanded on this in my responses to the convener and to Mark Ruskell—was that, having

listened to the evidence given to the committee, we believe that amendments might properly be lodged to assist charitable organisations that seek to act in an environmentally friendly way and a small number of retailers on whom a levy would be an unnecessary burden. There should be administrative simplicity, and groups that are trying to act in a way that is consistent with environmental policy should be exempted.

Mr Brocklebank: I want to follow up on Rob Gibson's point and ask whether you have been concerned that, in a great many cases, the Irish witnesses did not appear to have back-up for their arguments. They made claims about what had been achieved but, when we questioned them, they did not always appear to be able to back up their claims with hard evidence. They kept saying, "Well, of course, we have done no studies on that."

One of our plastic bag manufacturers in Scotland made the point that the levy was not working in Ireland. He said that his figures for plastic bag export to Ireland—Ireland has no indigenous plastic bag industry—did not match the figures that the Irish provided for plastic bag imports into Ireland. There was an allegation that the levy was not working but the Irish were trying to cover that up.

Ross Finnie: I do not care to get into the suggestion that the Irish Government is covering something up. I would not wish to go on the record as following that line.

The Convener: You are not going to go on the record on that.

Rob Gibson: Go on!

Ross Finnie: No; I will not be tempted.

There are two separate issues. For all of us, this element has been the vexatious one. It is difficult for any of us to come up with a hard evidential base for claims about the changes in behaviour patterns. On the figures, we put the figures on the impact on plastic bag use to AEA Technology Environment, and we know that both sides of the industry have presented different views on the issue. Because of the difference of views, the evidence on the total amount of imports is less than clear, and that is what AEA Technology Environment concluded. However, there is certainly a little bit of a discrepancy between the suggestion that there has been a total reduction and the figures which have been put to the committee and to AEA Technology Environment, which do not suggest a massive reduction, although the tonnage is not massive anyway, which is the problem.

The Convener: On the impact on behaviour, it seems that two key groups are concerned. One is

consumers, and we have a great deal of evidence from Ireland on what consumers do. However, one of the interesting issues to have been raised in the evidence sessions is the impact on retailers.

The AEA Technology Environment report says that the big food retailers will do very well out of the proposed levy. They will sell the bags in the shop and make a great deal of resources. Another point that has been raised is that retailers will use more plastic packaging, particularly for fruit and vegetables. What influence would a levy have on the packaging that retailers use? I know that the Executive can exercise powers through statutory instruments. There is an issue of shops using plastic in different ways. Another issue is non-food retailers moving wholesale from free plastic bags to free paper bags. How do we influence that behaviour, which does not seem very responsible in the context of what the bill is trying to do, which is to persuade people to reuse and recycle bags more? The intention is to move retailers in that direction, but the prospect of the bill has not brought them to the table to introduce a voluntary scheme. Further, they seem to be thinking about buying the wrong kind of bags and are not thinking about reuse. How can the Executive influence that thought process?

11:30

Ross Finnie: The report covers a range of issues in relation to the reuse of bags. In the evidence, you have seen that a number of households place putrescible waste in their plastic bags to avoid their wheelie bin becoming unnecessarily contaminated but, again, there are no hard figures on that.

I have been concerned for some time about the lack of response from retailers. I have already told you about talking to the Scottish Retail Consortium and packaging controls have been discussed. We do not want to push people in the wrong direction, and that is certainly not the intention of the bill. I have to regard the response from retailers as being disappointing. Much more fundamentally, as I said earlier in response to Alasdair Morrison, I am disappointed that although they are removing some unnecessary packaging between their depots and their outlets, retailers do not seem to be using their substantial purchasing power to influence the intermediate packaging that goes with products, which would make a much bigger impact on reducing the total waste stream.

There is a genuine feeling of disappointment, but it is difficult to second-guess what is in the mind of the retailers. They do not seem to have caught the mood of the public and the genuine wish to reduce substantially the total amount of packaging.

The Convener: I raise the issue directly because we got different responses from different retailers when we asked them about the issue. Some, such as B&Q, were ahead of the game and were trying to engage with the agenda. Other retailers, such as the Co-op, gave interesting evidence. However, some retailers simply said straight to us that they were already considering where they could source paper bags. We felt that that was cutting across not just what the bill is trying to do but what the Executive is trying to do through its waste programme.

Ross Finnie: The difficulty that I have is that it is extraordinarily helpful for B&Q, Lidl and Ikea to be placing that levy on packaging. However, given the total waste stream, they cannot possibly pretend to us that, by introducing that levy, they are taking serious action to reduce the overall volume of materials that ultimately find themselves in the waste stream. A combination of the levies and a much more concerted effort to use their purchasing power to reduce the total volume of packaging material would have a much greater impact on our waste stream.

The Convener: That was the message of those who were out there trying to make a difference. The issue was partly to do with marketing, but it was also to do with living up to their environmental responsibilities in a way that would then get fed through the system in a number of ways.

Nora Radcliffe: I do not think that either AEA Technology Environment or the Executive added to their environmental appraisal the possible environmental benefits of spending the levy. Will you comment on that, minister?

Ross Finnie: Obviously, if the levy is to be redeployed—or recycled, as it were—by local authorities for environmental purposes, that is enormously helpful. Even the existing environmental measures are not cheap for authorities. We provide the oil for the wheels of our national waste strategy, but we are all aware of the high costs. Prior to the introduction of serious kerbside methods of collection, the average cost per tonne of handling waste, including sending waste to landfill, was around £34. However, that figure did not tell us anything about the cost of the environmental damage of continuing to send waste to landfill. The cost now, in bare terms, is around £80 a tonne, but that is offset by the environmental benefits.

The costs to be met are real, so if money is available to local authorities to help pay, that is a benefit.

The Convener: I want to ask a brief question about the waste reduction consultation exercise that you are about to embark on. We called for that in our first report on the national waste

strategy in autumn 2003, and I am interested that you have picked up on it. What timescale are we talking about for that?

Ross Finnie: It is imminent. [*Laughter.*] Soon.

The Convener: I am not being funny.

Ross Finnie: I am being serious as well. I am in the final stages of reading drafts of the strategy. Subject to there not being some calamity—such as there not being recycled paper available for printing the documents—we are quite close to completion.

The Convener: We will not hold our breath. I am thinking about the timing of our consideration of the bill and the extent to which the consultation exercise will be relevant to the legislation.

Simon Stockwell: The consultation is quite wide ranging. Its aim is to ask questions across the field, as the minister was saying. We want to gather the views of manufacturers, retailers, designers, consumers, local authorities and so on in an attempt to find out where they think the Scottish Executive should take action in order to have the most impact. We have just about finalised the draft and I hope that we will be able to send it to you quite soon. The original plan was to publish it online and not to have printed copies, but we think that we might need a few printed copies.

The Convener: I am just thinking that, as a result of taking evidence on the bill, we have gone into certain issues much more deeply than we did in our report on the national waste strategy. We will reflect on that afterwards.

We have asked as many questions as we need to. Minister, I thank you and your officials for coming along and for giving us that extra information.

11:37

Meeting suspended.

11:43

On resuming—

The Convener: We move to panel 2. I welcome Mike Pringle, the member in charge of the bill, and David Cullum, from the non-Executive bills unit. I invite Mike Pringle to make a brief opening statement.

Mike Pringle: The first question that we must ask is, is the bill worse for the environment? I suspect that most of you want to ask that question. There has been much discussion about, and the committee has received a considerable amount of paperwork on, the environmental impact of my bill. Much of the work has been in the form of detailed

impact assessments that were done by the Executive and others. However, a lot of problems have been identified with all the work that has been done. For example, Friends of the Earth Scotland and Smith Anderson paper manufacturers stated that the work seriously overestimated the negative impact of the bill. Of course, the carrier bag consortium stated that it underestimated the negative effect.

One glaring error that would have been picked up if the paper industry had been consulted in the production of the AEA report is that the weight and cost of paper bags that may replace plastic in non-food retailers is half, or in many instances less than half, of those that are listed in the AEA report. Those small changes multiply to give a misleading picture. The report's claim that my scheme would bring modest benefits is clearly an understatement. Other serious errors include the use of the lifecycle analysis from Carrefour, which the authors admit should not have been applied to Scotland. The stated environmental impact of paper is also at least 10 years out of date. The list goes on. All that makes some of the things in the AEA report questionable.

11:45

I received the Executive's recent impact assessment only on Monday, so it has been difficult for me to analyse it in any great detail; I hope that the committee has had better luck than I have had. Even that document contains a number of crucial errors. For example, it claims that the increase in the oil price has led to an increase in the paper bag cost. Smith Anderson in Fife states that that is not true. Oil is not used in the manufacture of paper; steam and electricity are used. The Executive worked out the cost of the scheme to retailers by using a paper bag cost of £163 per 1,000. The most expensive bag that Smith Anderson sells costs £110 per 1,000, and that is for a large, high-quality bag that would be used for a suit. The figures do not take into consideration the range of bags below that. Most shops will use much cheaper bags.

The Executive's study highlighted the possible switch to paper, but the paper manufacturers—who originally were not even invited to take part in the working group—claimed that some of the estimates are absurd. The Irish Government highlighted that there has been some switch in some non-food retail shops, but stated that its legislation has still had a positive impact on consumer behaviour and litter. A University of Dublin report, of which I am sure you have a copy, stated that shops had made significant savings in bag expenditure, indicating that there had been little switch from plastic to paper.

The AEA impact assessment stated that the bill would bring modest environmental benefits, before consideration of the impact of changed human behaviour. I agree with the minister, as I am sure all members do, that the added benefit is difficult to quantify; indeed, it has never been quantified.

The Community Recycling Network for Scotland stated:

"The bill ... would ... raise public awareness of waste prevention ... reduction, litter and wider environmental"

benefits, and

"provide a significant wake-up call to the public."—[*Official Report, Environment and Rural Development Committee*, 28 September 2005; c 2211.]

Renfrewshire Council stated in its evidence that the levy

"may achieve a great deal that goes beyond its"

original

"purpose. The breadth of its application will be such that it will be brought to the notice or consciousness of a large proportion of the population on a regular ... basis. In that respect there may be gains beyond anything that can be quantified on a balance sheet relative to the scheme itself."

Given that, there is no doubt that my bill will achieve its purpose of protecting the environment. It will remove the throwaway culture of plastic bag use and change people's behaviour. We heard from the minister that we are now approaching 20 per cent recycling in Scotland—I think that the figure he gave was 17.3 per cent. As a result of the introduction of the plastax, recycling in Ireland is now close to 40 per cent and is predicted to go over 40 per cent this year.

On VAT, B&Q said in evidence that the 5p cost is remitted to the environmental group that it deals with, but that it deducts the VAT that it has to pay when it buys the plastic bag. We have investigated, and our information is that the 10p levy is not a service, therefore it would not be liable for VAT.

Finally, the levy is like the law on wearing a seatbelt. Many people did not wear a seatbelt before the law was introduced but now it is accepted practice to wear one. People will not quickly change their behaviour to reduce, reuse and recycle unless there is a legislative clout. Surely we all want to reduce, reuse and recycle.

The Convener: Thank you. Members will ask questions and follow up on some of the issues that you and others have raised.

Mr Brocklebank: We are all equally keen to cut down on litter and improve waste problems. One of the big issues is whether the saving in plastic bags will be displaced by people using paper bags, thereby increasing landfill.

I think that you claimed that the AEA Technology Environment report overstated the tonnage that would go to landfill and you mentioned a figure. However, in the papers that we have seen, far from overstating the tonnage, AEA appears to have understated it. According to the document that is in front of me, it has now accepted the Simpax evidence and the fact that 14,000 tonnes rather than 5,409 tonnes of extra waste will go to landfill. It seems that there is something wrong with the weights and I would like to know where you are coming from.

Mike Pringle: I accept what you are saying—one person will give one figure and another person will give a completely different figure. However, I dispute the evidence that has been provided. The impact study says that there would be a 0.3 per cent increase in waste that goes to landfill, but that must be balanced by the reduction of 900 million plastic bags in Scotland with only a 90 per cent switch.

The committee has received evidence on people switching to paper bags. I think that Michael Longstaffe of Smith Anderson said that if you were to go to Princes Street, you would perhaps find a picture that has not been reflected and that you have not seen before. We went there. A substantial number of shops in the area—Carphone Warehouse, McDonalds, Habitat and Harvey Nichols, for example—use paper bags and do not use plastic bags at all. Some shops—Tie Rack, Body Shop and Russell and Bromley, for example—use plastic and paper bags. A large number of businesses in the non-food retail sector already use paper bags. The committee must take a view on whether there would be a massive switch to paper. There is very little evidence from Ireland to suggest that such a switch would happen, and my view is that there would not be a big switch.

Members want to improve the environment. I want to talk about something that I was struck by at Smith Anderson. Before I introduced the bill, along with the policy memorandum and the other related documents, we spent a long time talking to people. We visited Ireland and talked to people throughout Scotland, and as a result, we made what we thought were the right proposals.

I was told at Smith Anderson that the company takes water out of Loch Leven and puts it back into the River Leven. The quality of the water that is put back into that river is such that people can drink it from a glass. I do not think that anybody would want to drink water from Loch Leven.

On changing behaviours and using paper bags, I was told about something that I did not know about before I visited the company. As members know, there is metal on the inside of juice cartons, plastic on the outside of them and paper in the

middle. Smith Anderson has adapted a process that involves taking the paper out of the middle of orange juice cartons, recycling it and getting rid of the plastic and metal. Many questions are asked about what will go to landfill, but there is clearly a process that can take juice cartons out of the waste stream and recycle paper from them.

In Scotland, we recycle more bottles and paper than anything else. It has been argued that a large amount of paper will be used if there is a switch from plastic bags, but I suggest that there will not be the big switch that people think there will be. People already use paper bags. If there is a switch from plastic to paper, much of that paper will not end up in landfill but will be recycled and made into paper bags for the future.

Mr Brocklebank: You said that the figures that were provided in the AEA report were overstated by a factor of two, but that is simply your opinion. You are basing what you say only on your opinion.

Mike Pringle: I am basing it on my opinion, which I have formed having spoken to people in Ireland about the switch, what happened as a result of it and the comparative volumes. Those who are opposed to the bill will, of course, take a different view. I have tried to take a measured view on the evidence that I heard from the experts, from the people who tried the measure in Ireland and from those who manufacture paper in Scotland. The AEA report overstates the amount of paper that is likely to go to landfill if there is a switch from plastic to paper. My contention is that much of the paper will be recycled.

Mr Morrison: You have, rightly, attended the committee meetings and listened to all the evidence. Have you heard any evidence that has given you cause for concern?

Mike Pringle: Everybody who gave evidence to the committee had a genuine case to make or a genuine point of view to share. They all had a reason to give evidence to the committee. However, some of the evidence that I heard was misleading. For example, the committee heard that there had been a considerable increase in theft in Ireland following the introduction of the tax. Interestingly, I think that you heard no evidence of that, but you could ask the Executive about the matter. A University of Nottingham study has just been released on the subject. Of course, the shops do not call it theft; they cannot identify the loss in that way so they call it shrinkage. Generally, in Ireland and Britain, shrinkage is reducing substantially. Other witnesses mentioned aggression; they said that people would come up to the tills and say, "I'm not paying that" and get angry about the charge. I have found no evidence to suggest that that would happen.

It has been argued that there will be a big increase in the amount of paper that goes to landfill, with a resulting increase in methane gases. The truth is that paper decomposes pretty quickly whereas plastic does not. The committee heard in evidence that plastic can take up to 100 years to decompose and that, at the end of the process, methane gas continues to be produced. Plastic is also a finite resource.

Finally, one of the things that the committee heard a lot about—about which I disagree fundamentally—was a massive increase in the use of bin-liners in Ireland. I accept that there was an increase—the figure rose to 70 million per annum—but the committee must take into account the 90 to 95 per cent reduction in the use of plastic bags, which resulted in a reduction of more than 930 million plastic bags. The committee has to decide whether that balance is a good one to strike. I suggest that it is. The bill would result in a change in behaviour, which would result in a massive reduction in the use of plastic bags.

Mr Morrison: I asked that very simple question because you have made no reference to the hundreds of people who will lose their jobs. Is that a matter of concern?

Mike Pringle: Yes. We considered the matter in some detail when we went to Ireland and when we spoke to businesses in Scotland—to Smith Anderson Packaging, for example. Any job loss, even if it were of one single job, must be of concern to all of us. The current evidence is that 400 jobs in Scotland might be affected, of which 100 jobs are involved in the production of plastic bags. I suggest that the figure is less than 60.

We must take a measured view. Any new legislation will have an effect on some people. It is highly regrettable that J J O'Toole Ltd did not give evidence to the committee. Prior to the imposition of the levy—which, incidentally, was opposed fundamentally by all retailers in Ireland, especially the supermarkets, as well as by those in the plastics industry—that company was one of the biggest importers of plastic bags into Ireland. The managing director of J J O'Toole told me that it had lost slightly more than 20 jobs as a result of not importing plastic bags. Once the levy had been brought in, the business became leaner and more profitable and, within a year, it had replaced about 15 or 16 of those jobs thanks to expansion into other lines. In other words, only a few jobs were lost in that business.

I agree entirely with Alasdair Morrison that we must balance all the effects that a levy would have—it is clear that some people would gain and some would lose—against the benefit that it would bring for the environment. I point the committee to the three key objectives that are set out in the policy memorandum to the bill. I do not need to read them out, because they are obvious.

12:00

Mr Morrison: Of course we must protect the environment, but we must ensure, too, that we do not legislate people out of good jobs.

In your opening statement, you spoke about raising awareness, as Ted Brocklebank mentioned. We are all keen for there to be less litter and for better care to be taken of the environment. However, is the best way of raising awareness to tax old ladies in supermarkets?

Mike Pringle: First, it would not be a tax. As we all know, a tax is something that people have no choice about paying.

Mr Morrison: Is levying old ladies in supermarkets the best way of raising awareness?

Mike Pringle: People would have a choice about whether to pay the proposed levy—they could pay it, but they would not have to pay it.

Much has been said about the problems that the bill might create for people who are on lower incomes—those who cannot use cars and so on. If we look back 25 or 30 years, every housewife had a shopping bag. When I was in the supermarket recently, an old lady said to me, “I used to have two shopping bags—the dirty bag and the clean bag. I put all the vegetables in the dirty bag and everything else in the clean bag.” Perhaps the member should consider practice in his family. I suggest that most old ladies probably take a shopping bag with them when they go shopping and probably use it far more than people who are on higher incomes.

The supermarket chains Lidl and Kwik Save—which I think the committee would agree aim at the lower end of the market—already charge for plastic bags. Lidl tries to be extremely competitive in price and it has always charged for its plastic bags. I genuinely do not believe that the proposed levy would have an effect on people who are on lower incomes, many of whom are probably more careful about plastic bag use than people who are on higher incomes.

Maureen Macmillan: We have discussed the AEA report, which I notice you do not agree with. The problem is that we have had a great deal of contradictory evidence and special pleading from all sides. We must attach a lot of weight to the AEA report because it is the only objective report that we have. It indicates that if the bill were passed, there would be a shift to greater use of paper bags.

Why did you not consider extending the levy to the sort of paper bags that are used by non-food retailers? I am talking about glossy paper bags or paper bags that have add-ons made out of plastic or other materials. You gave the example of Tetra Paks, but those other bags will not be recycled

and possibly will not be reused. They will end up in landfill, so why do you dismiss the idea of extending the scope of the bill?

Mike Pringle: Somebody might have done research that proves me wrong, but, from my research before introducing the bill, nobody anywhere who levies on plastic bags has ever levied on paper bags. No market research has been done on the issue. Among the public, the idea of reducing the number of plastic bags is extremely popular. We heard that from the B&Q survey, and a MORI poll gave the same result.

During the summer, I asked all my friends who were going on holiday to find out whether a charge was made for plastic bags or paper bags. No one came back and said that they had been charged for paper. However, we found, me included, that other countries charged for a plastic bag—that happened in South Africa, Australia, New Zealand, Germany, France, Spain and Portugal. In most places, you do not get a plastic bag for nothing.

I accept that the Executive could decide that it wanted to have a levy on paper bags as well. However, that would be difficult and that is why I used my own experience of what others have done. Other countries have tried to reduce the amount of plastic, so that was my target. If somebody else wants to have a levy on paper, they can do so.

Section 2(1) of my bill says:

“For the purposes of this Act, a ‘plastic bag’ means a bag made wholly or in part of plastic.”

Therefore, if a paper bag was to be lined with plastic—as supermarkets and many retailers have suggested that they would do—that bag would be subject to the levy.

Maureen Macmillan: Are you concerned about a possible shift from plastic to paper?

Mike Pringle: I would be concerned if I thought that that would happen. However, I cannot find any hard evidence. There is lots of anecdotal evidence that there will be a shift, but I cannot find any hard evidence to show a total shift to paper in places where a tax on plastic bags has been introduced. I accept that there will be a partial shift; I do not doubt that.

When we went to Ireland, we did not find any food retailers who said that they were now using paper, but two large non-food retailers told us that they had changed from plastic to paper. There is some evidence that that might happen. I accept that. However, I come back to the point that paper is very easily recyclable.

We have spoken about the reuse of bags. Standing in one of Dublin’s main shopping streets, I was interested to see that nobody had a plastic

bag any more, but that there were a lot of large, high-quality retail bags from the non-food sector. People are reusing and recycling such bags.

I do not think that the evidence is that there will be a great shift to the use of paper bags. As I have illustrated, a lot of people are already using paper.

The Musgrave Group, which has 25 per cent of the food retail sector in Ireland, stated in oral evidence that a switch to paper had not happened. The group's stores do not offer paper bags; they offer long-life reusable bags. By the way, I take issue with the suggestion that long-life bags are used only four or five times—the type of long-life bag that is available from Marks and Spencer lasts a hell of a sight longer than four or five shopping trips. My evidence is that most bags that are made of calico, string and so on last substantially longer than that.

Rob Gibson: We asked the minister to consider whether the exemptions that are allowed for in the bill should be extended or altered. What are your thoughts on that?

Mike Pringle: If the bill reaches stage 2, I am more than happy to listen to those arguments. We thought hard about that, took evidence on it when we went to Ireland and looked at examples of what people have done elsewhere. As a result, we specifically excluded from the bill the plastic bags that are given out by charity shops—not the bags that are given at point of sale, but those that are dropped at our front doors with a note asking us to fill them for collection. We did not exempt plastic bags that are handed into charity shops because we are trying to reduce the amount of plastic bags.

One of the small problems that I have with plastic bags that are handed on to somebody else is that one does not know what has been in them previously. I question the hygiene, because often when we are handed a plastic bag, we have no idea what was in it previously. That can be looked at.

I am sure that if members were to look under their sinks or in their cupboards, they would find 30 or 40 plastic bags sitting there. The question is, what did you do with them when you last got rid of them all? If one hands the bags into a shop—not necessarily a charity shop—somebody will have to count them all and the administration will be enormous if there is to be a levy on plastic bags. Shops will have to say, "We've got all these bags that have been handed into us—there are 120 of them that we can now hand out." If they are to be exempt from the levy, how will that be administered? The point of the legislation is to keep the situation as simple as possible.

Rob Gibson: From what you have just said, it seems that exemptions will need a good deal more thought.

Mike Pringle: Yes. I am happy to look at that if we reach stage 2.

Rob Gibson: I asked the minister about the application of the bill were it to be passed.

The Convener: Just a second, Rob. Mark Ruskell and Maureen Macmillan want to ask about exemptions. Let us follow that through, then I will come back to you.

Mr Ruskell: We have something called the waste hierarchy, at the top of which is redesign, which ensures that we do not design extra packaging that we do not need. After redesign comes reuse, then recycle. You are saying that we should not follow that waste hierarchy and that we should not encourage the reuse of bags in charity shops because of a hygiene problem.

Mike Pringle: No, I am not saying that. I am saying that no one has thought about hygiene.

I was asked whether there should be exemptions and I said that we looked at the Irish example to see what they had done. As a result, we included a specific exemption. If people buy a plastic bag for 10p, I do not say that we should discourage them from using that bag again—I say, yes, by all means we should do so. All that I suggested was that one would not be using one's own plastic bag again; one would be using someone else's bag. I am happy to accept that it is positive that as many people as possible should reuse plastic bags.

Mr Ruskell: The main policy objective of your bill is not public health and hygiene; the bill is about reducing litter. Surely you must acknowledge that a lot of bags are reused by charity shops and that if people have to pay 10p for a used bag, that practice is likely to stop. If people had to pay 10p a bag, what would be the impact of reuse on your bill?

12:15

Mike Pringle: You must take into consideration the fact that the regulations concerning hygiene are extremely strict. We are aiming to reduce the use of plastic bags at the supermarket. I accept entirely that there is an issue about people handing in and reusing bags at charity shops. However, when we were drafting the bill, we took a decision that was based on other people's experience that things become extremely difficult if one starts exempting one specific type of shop. Other shops could then start using recycled bags and the whole thing would get very complicated. The aim of the bill is to keep the process as simple as possible.

Mr Ruskell: I understand that, but I am not sure whether that always makes for the best legislation. If I took my bag for life home with me and put

some meat in it and decided to use it again five, 10 or 20 times, would not that be a hygiene issue as well?

Mike Pringle: It would be, but that would be your choice. You would know exactly what had been in the bag and you would have decided to use the bag again and again. If you handed that bag to somebody else and they used it, that person would not know what had been in the bag.

The Convener: But it would be their choice to take the risk.

Mike Pringle: Yes, absolutely.

Maureen Macmillan: I cannot believe that you are saying that it would be better for a charity shop to put a whole lot of plastic bags in the dustbin than for it to reuse them.

Mike Pringle: I did not say that.

Maureen Macmillan: That was the implication—

Mike Pringle: No. If the levy was introduced, people would not take plastic bags to a charity shop, would they?

Maureen Macmillan: Yes. I do not know whether you have ever taken things to charity shops, but that is how people get them there.

Mike Pringle: At the moment, I could take plastic bags to charity shops. However, if the bill, as drafted, became law, charity shops would know that, if they are handed plastic bags, they would have to charge 10p on them. The number of plastic bags in circulation would be reduced by a substantial amount; therefore, more often, people who visited charity shops would take a bag with them. I have taken plastic bags to charity shops—I do not do so any more, as I do not have any plastic bags. I would take plastic bags to a charity shop. All I am saying is that, if the levy comes in, the stream of plastic bags will be substantially reduced. We must accept that.

Maureen Macmillan: What are you saying that charities should do with plastic bags that have already been used if people bring them in?

Mike Pringle: Under the bill, as drafted, they would have to count the number of bags that they got in their shops and they would have to charge 10p for each one that they handed out at the point of sale. I discussed that issue when I was in Ireland, and I was told that that issue had been addressed there but that charity shops had not been exempted. I based my bill on other people's experience. If we want to do something different, the bill would have to be amended at stage 2.

Richard Lochhead: I understand the case for not exempting charity shops and have an open mind on the matter, but I am concerned by your comment about the hygiene risk of reusing carrier

bags. That is scaremongering, unless you have evidence to back it up. I am unaware of any cases of people's health being affected by their reusing carrier bags. Do you have any examples that you can share with the committee, given the fact that you have raised the issue?

Mike Pringle: No. I was not suggesting that there has been any problem; I simply said that there is an issue about people using other people's bags that have been handed in, as they are not aware—as Mark Ruskell said—of what has been in those bags. All that I am suggesting is that there might be, somewhere in there, a hygiene risk. In evidence to the committee, somebody suggested that paper bags could not be used because there was a hygiene risk. That was then refuted, as the witness from Smith Anderson Packaging said that it used recycled materials for most of its McDonald's bags and other bags. We must be aware of all the issues. I am not suggesting that there has been a problem; all that I am saying is that it is an issue that we must consider.

Nora Radcliffe: Have you considered revisiting the idea of exempting charity shops? There seem to be two perversities: one is that a disincentive would be created to reuse bags on which, I presume, the levy would have been paid. Much of what is bought in charity shops has been used already, so people put a thing that has been used into something else that has been used. It strikes me as absurd to create a disincentive to such reuse.

Mike Pringle: As I said, if the bill gets past stage 1, I will be more than willing to consider all such issues—they are legitimate. My bill is based on other people's experiences, and on consideration of what other people have said and done. We raised that matter with Irish civil servants, who said that they had considered and rejected such an exemption, so it was not part of their bill. I use charity shops all the time—most of the shirts that you see me walking around in come from Oxfam—so I am well aware that items that have been used are bought in charity shops.

Nora Radcliffe: It strikes me that the Irish might expect charity shops to pay a levy on new bags—many charities produce their own bags. Did you, however, clarify whether the levy was charged on used bags as well? There might be ambiguity because the situation is unclear.

Mike Pringle: Before we went to Ireland, we considered charity shops because we were aware that they would be an issue. I am afraid that I can say only that when I asked Irish civil servants whether they had considered exempting charity shops, they said that they had not. To be fair, I probably did not—

Nora Radcliffe: Their answer might have related to new bags rather than used bags.

Mike Pringle: Yes.

The Convener: We could probably continue on that tack for ages, but we have heard enough to allow people to think about the matter. I am conscious that members want to ask about other provisions in the bill.

Rob Gibson: I asked the minister about the Irish Government's backing for the Irish bill and he discussed the idea that the waste strategy in our country is in tune with some of your thoughts. Would the waste strategy that we have adopted help you? How would that happen?

Mike Pringle: The waste strategy would help. The minister talked about consultation on bringing all such matters together. It is important that the bill be supported because it would be a catalyst for change and it would raise awareness. If people became more aware of the environment agenda as a result of my bill, the minister's consultation of others might reap good fruit. The bill would be just a part of our moving forward the whole agenda.

The Convener: Next on my list is Nora Radcliffe.

Nora Radcliffe: The issues that I would have raised are European law and VAT, but they have been dealt with. I also wanted to pursue the charity shops issue, so I am fine.

The Convener: I have a couple of questions about collection and administration of the levy. Ross Finnie said that if the levy were a tax, it would be reserved, which we all understand. You suggest that every local authority would be involved in the process of collecting the levy and Ross Finnie has said that he would be keen to amend the bill to remove the number of repeat registrations that people would have to make. From looking at the bill, it seems to be a matter of luck whether a retailer is in one, two or seven waste strategy areas.

What do you think about having just one administration point or collection point for the levy, which would all be remitted to local authorities? Representations have been made to us, particularly by small retailers, that a huge amount of administration would be involved in registering separately with 32 local authorities. Even registering with six or seven authorities would be quite an imposition.

Mike Pringle: Yes. That is an issue, but I could examine only how I could go about drafting the bill. You have heard from Ross Finnie that there has been consideration of the matter by the Executive, but it thought that it could not impose a tax and so perhaps had not thought further along the line, as we did in our investigations to come up with the

idea of a levy that would have to be introduced by local authorities.

On one of the numerous occasions when I went to see the Convention of Scottish Local Authorities, I suggested that the local authorities get together. I do not mean to be disparaging, but Western Isles Council is not in a position to collect a levy from the 32 local authorities throughout Scotland, whereas the City of Edinburgh Council and Glasgow City Council might be. We spoke to the Scottish Environment Protection Agency, the VAT people and HM Revenue and Customs before we introduced the bill and we asked whether they would be interested in collecting the levy centrally. I think the answer that we got was a very polite, "No, thank you very much. We don't want to get involved in that." I was not able to persuade the 32 local authorities to work together, but I see their doing so as being of enormous benefit. It is interesting to note that in Ireland most of the administration and enforcement of the levy is done not by the Irish Government but by local councils.

We tried as hard as we could to make things as easy as possible. The figures that the retailers need are: opening stock, stock in, stock at the end and levy. That seems to be relatively simple to me, as an ex-retailer who had a number of shops. We tried as hard as possible to keep things as simple as possible. The costs have been exaggerated, but they are difficult to quantify. At this stage, we cannot say how much the system will cost. Some might predict that it will cost £300,000 for one council to collect the levy or £20,000 for another to collect it, but how do we know?

I would welcome a single collection point throughout Scotland. Bear in mind what the Irish representatives said to the committee: 90 per cent of the money that is collected from their levy comes from 10 per cent of their customers. Also remember—this has not come out fully—that a very large number of retailers did not get involved. We collect business rates fairly easily through local authorities. The levy would be collected in a similar way. Any retail shop—food or non-food—would be able to opt out of the levy at the beginning. That happened in Ireland and a substantial number of retailers said, "That's fine. We're not going to give out plastic bags anymore. We're going to rely on people coming to us with a shopping bag."

The Convener: Collection rates have stayed totally even throughout the process. We anticipated that if 90 per cent fewer plastic bags were in circulation, there would be 90 per cent less levy. However, one of the findings from our oral evidence was that the compliance rate has increased over the past few years since the levy was introduced. More people have complied even though at the start they did not want to register.

12:30

David Cullum (Scottish Parliament Directorate of Clerking and Reporting): My understanding from reading the evidence is that that is partly a function of enforcement. Some of the back tax that has been collected has inflated the annual figures.

I wonder whether I could make a comment in response to the previous question, on central collection. I have to be careful because my comments are based on legal advice that we were given. I will find out whether I can share the advice with the committee and forward it to the clerks.

As the minister said, the bill comes very close to competence issues. That is not unusual because every bill that we are involved with is on the margins in some respect. The levy is covered in the exemptions in schedule 5 of the Scotland Act 1998, under the local tax exemptions. My legal advice was that for a charge to be assessed as a local tax it is necessary that it have two out of three characteristics. The three characteristics were that the tax—that is the amount—might be set locally, in which case it would potentially be variable throughout Scotland, collected locally and spent locally. The strong legal advice that we heard was that to avoid a challenge under the Scotland Act 1998 at least two of those characteristics had to be present. That is why Mike Pringle plumped eventually for local collection. It was a straight choice between local collection and local setting of the rate, which may well have caused more difficulty for retailers.

The Convener: We have heard evidence from Ross Finnie that if the bill proceeds to stage 2 he intends to amend the collection provision so that it at least goes to local waste strategy areas; a shift in the position is already being suggested by the minister.

David Cullum: I will make my legal advice available to the committee, provided that I get permission from the lawyers to do so.

The Convener: I think that we would find that useful.

Elaine Smith: My question is on a similar topic. One of the aims of the bill is to ensure that money raised by the levy would be invested in local environment projects. I was going to ask Mike Pringle this question anyway, but given the previous discussion it is perhaps more pertinent. How would we ensure that the money raised by the levy would be invested in such projects? Might the money be used to cover enforcement and administration by local authorities? If the money was to be used in projects, would that mean that some local authorities would have more money to spend on projects than others?

Mike Pringle: I will answer the final question first. I will take as an example Alasdair Morrison's council; it is a small council that does not have a large number of large retail stores. The amount of money that would be collected in a small local authority such as the Western Isles Council would be small. However, in Edinburgh, Glasgow, Aberdeen and Dundee there are a huge number of large supermarkets. The amount of money that would be collected in Edinburgh would be substantially greater than in the Western Isles or in Orkney or Shetland.

On Elaine Smith's other point, we thought about the matter because from my local authority experience I know that local authorities always try to get round things if they can. Therefore, section 8 of the bill says:

"Functions of local authorities in relation to spending the levy

A local authority must spend the money raised from the levy, after deduction of reasonable collection costs, on environmental projects meeting criteria set out in guidance issued by the Scottish Ministers."

The guidance would have to be issued and it would come through subordinate legislation regulations.

It is expected that every local authority would have to show—I hope that the guidance from ministers would say that it should be in local authorities' annual accounts—how much was raised annually from the levy and what it was spent on. The figures could therefore be inspected and it could be established whether an authority was spending the money on other projects because it had decided to save money. Elaine Smith perhaps rightly assumes that local authorities would do that—I do not doubt that some of them would try. I hope that we can ensure through the bill that that could not happen.

The bill is drafted to allow pooling of approved projects that would benefit local authorities. For example, in my constituency we have an annual clean up of a burn, which has a cost to local people because they must provide equipment. Such work might be something that the local authority would not usually fund. However, if a group of people went to their local authority and said that they wanted to do a clean up here and a clean up there, and asked for money to do that, the income from the levy might be ideal for that. It might encourage community groups to do work like that.

Elaine Smith: I was probably more concerned that the administrative costs of enforcing and collecting the levy should not come from other budgets. You have clarified that those costs would come out of the levy first, before the money was spent on anything else.

Mike Pringle: The committee has heard in evidence that there was no need to enforce the levy in Ireland very much. It was necessary once when somebody—I have forgotten who it was, but it is in the evidence—had to pay a fine of €150. That case was in the national press, and suddenly the amount of money that was collected rose substantially over the next few months. People said, “Wow! The Government is getting serious. We’d better make sure we pay our levy.”

Elaine Smith: On the levy, why 10p? Why not 2p? Why not 20p? Is there a reason?

Mike Pringle: That is the figure that came out of the consultation. The evidence is that, if the levy is a very small amount, we will not change people’s behaviour and that, if the levy is a large amount, it will be an imposition. A balance must be struck. During the consultation, some people said that we should charge 50p or £1 for every plastic bag. Question 8 on the consultation paper was:

“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 suggestions.”

A very large number of people said that the levy should be 10p, although larger amounts were suggested. We took that on board. That just happens to be the same amount that was charged in Ireland at the beginning of the levy there. We consulted people and they thought that 10p was the right amount, so that was what we decided on.

Elaine Smith: I just wondered whether there was any scientifically worked-out reason why 10p was the level at which people felt ownership of plastic bags.

Mike Pringle: We would not want the levy to be 11p. That would be like shops selling goods for £2.99, which I always think is crazy. Why not just charge £3? The levy could have been 5p, 10p, 15p or 20p.

Elaine Smith: After VAT, the actual levy could be 12p. That issue needs to be resolved.

Mike Pringle: Our evidence is that the bags are not vatable, but somebody higher than me is going to have to sort that out.

The Convener: Can we explore that a little bit? You mentioned VAT in your opening statement, and we quizzed the minister on it. What reasons were you given for why the bags would not be vatable?

Mike Pringle: I do not know. Perhaps David Cullum can answer that question; he spoke to the VAT people. I think that the simple reason is that the bag is not a service. Is that right?

David Cullum: We put the question to our lawyers. The reply that we got was that they did not think that the bags would be liable for VAT, for

the reason that Mike Pringle has given. I do not recollect B&Q or Ikea suggesting that they were adding VAT to their charges, and I do not think that Kwik Save or Lidl would add VAT unless they had calculated the charge pre-VAT and rounded it up.

Mike Pringle: B&Q said that it collected 5p for each bag. When it bought plastic bags there was a tiny amount of VAT, which it then deducted from the 5p so that it did not lose out. If B&Q had given the whole 5p to charity, it would have lost the VAT element and would be funding that.

It is interesting to talk about VAT because, after the levy was introduced, a large supermarket in Ireland—Superquinn, which should have given evidence to the committee but did not—told me that it had found the levy to be so successful that it has not yet passed on the 1 per cent extra in VAT to its customers since the Irish Government increased VAT from 17 per cent to 18 per cent.

I went through a VAT process with Edinburgh Leisure and it took four and a half years to get an answer from the VAT people. I hope that we will get an answer a bit quicker than that.

Elaine Smith: I have a final question arising out of curiosity. Sometimes you say “me” and “my bill” and sometimes you say “we” and “our bill”. Did you have a steering group? Was it a collective effort?

Mike Pringle: I suppose that when I say “we”, I am referring to the help that I received from a large number of people. For example, I worked very closely on the bill with a member of staff, Conor Snowden, and then worked with the non-Executive bills unit on drafting it. We also spoke to many people here and in Ireland.

Elaine Smith: Did you set up a steering group?

Mike Pringle: No.

Mr Ruskell: One attractive feature of the bill is its potential for shifting culture. It is important that it is not just about plastic bags, but about a way of thinking. Obviously you focused on Ireland, but other countries have introduced levies on polythene bags. Is there any evidence to suggest that such a measure has helped to shift the culture in those countries?

Mike Pringle: To be honest, I examined Ireland most closely because it was easy to get to and its legislation was fairly recent. I have not examined whether the introduction of a tax or levy in other countries has affected behaviour there.

The third key objective of the policy memorandum—and therefore one of the bill’s fundamental aims—is to raise

“awareness of environmental issues such as recycling and litter”.

I believe that the bill will achieve just that. After all, it happened to Ireland.

Mr Ruskell: Are you saying that there has been a culture shift in Ireland?

Mike Pringle: Yes. That was the evidence that I was given when I spoke to civil servants there.

Mr Ruskell: How has that culture shift in Ireland manifested itself? The bill centres mainly on bags, but what about wider impacts?

Mike Pringle: I believe, if I heard him correctly, that the minister said that the recycling target in Scotland was either 17.1 or 17.3 per cent—it was certainly 17 point something. I have been told that, since the introduction of the levy in Ireland, the recycling level there is now close to 40 per cent. Did that happen because of legislation or did other measures help? That is difficult to quantify.

Of the measures that were introduced in Ireland to improve the environment and reduce waste, the plastic bag levy was the only one that was aimed at the general public. The Irish Government perceived that people's behaviour can be changed only by bringing things home to them, which in this case meant charging 10p for a bag. I agree with its approach.

It is the same with most park-and-ride schemes. People do not pay for the parking and the bus journey; they pay for only one of them. As a result, they think that they are getting something for nothing. That principle is certainly working well in some of the park-and-ride schemes in Edinburgh. We simply need to bring the matter to people's attention. The legislation in Ireland definitely had that effect.

As the evidence shows, in a B&Q survey that was carried out in February, 76 per cent of respondents thought that the scheme was a very good or good idea, 10 per cent were entirely neutral and 13 per cent thought that it was a bad idea. In 2003, a British MORI poll showed that two thirds of the population support paying 10p for carrier bags for their shopping, and anecdotal evidence suggests overwhelmingly that Irish consumers have mainly increased their use of reusable bags instead of switching to paper bags. B&Q advised that putting a value on a plastic bag has changed the mindset of its customers, who now retain and reuse them. I did not carry out that survey; that is what MORI and B&Q have said, and their findings should be taken on board.

The Convener: How did you pick the size of bags for the bill? Some evidence suggests that, in Ireland, more packaging is being used for fruit and vegetables, although I point out that other evidence suggests that that would happen anyway. Will the size of bag that you have focused on in the bill push retailers towards providing extra

packaging which, of course, is not easy to recycle or reuse?

12:45

Mike Pringle: The bill's aim is to reduce the use of vest-style carrier bags. To that end, we visited supermarkets and asked representatives of the Irish Government why it chose that approach. In that respect, our bill fairly much mirrors what happened in Ireland.

Anyone who goes into a supermarket can pull a bag off a roll for fruit, vegetables and other produce. It seems only reasonable to exempt such small bags from the levy and to give consumers the opportunity to put stuff into them. Unless one goes to a butcher's shop—how many of us do that these days?—all the meat and fish that one buys is already packaged. We simply sought to give consumers the opportunity to put small amounts of fruit and vegetables into small bags if they want to. Last week's evidence from the Musgrave Group suggests that the massive increase in the use of packaging that people have alleged would happen has not taken place. I was also delighted to hear the minister say this morning that his consultation would address that very issue. That work, and my bill, should discourage any massive increase in the use of packaging. That can only be good for the environment.

The Convener: That is probably a good point at which to stop. I think that we have exhausted the committee, but I wanted everyone to hear the evidence.

I thank Mike Pringle for coming along to be quizzed on the bill. The committee has a lot to think about. Two years ago, we asked the Executive to produce some work on waste minimisation and reduction. Now, on the eve of our discussions over your bill's general principles, it has announced that that work will be done. I have to wonder about the very helpful timing of the Executive's announcement.

We have a lot to think about in relation to the bill's detail and principles. Today, we heard some contradictory evidence on issues such as VAT. We are very keen to get more evidence on such matters, if possible. Issues about retailers' use of packaging have provided us with some food for thought and we need to mull over whether the proposals will have any unintended consequences.

Mike Pringle: I thank the committee for inviting me to attend the meeting. I do not envy your task of sorting out the wheat from the chaff.

The Convener: We will have to do that anyway.

That ends our evidence taking at stage 1. As we agreed on 2 November, we will consider our draft report in private at future meetings. The report will be published once it has been agreed.

12:47

Meeting continued in private until 13:03.

Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice at the Document Supply Centre.

No proofs of the *Official Report* can be supplied. Members who want to suggest corrections for the archive edition should mark them clearly in the daily edition, and send it to the Official Report, Scottish Parliament, Edinburgh EH99 1SP. Suggested corrections in any other form cannot be accepted.

The deadline for corrections to this edition is:

Wednesday 23 November 2005

PRICES AND SUBSCRIPTION RATES

OFFICIAL REPORT daily editions

Single copies: £5.00

Meetings of the Parliament annual subscriptions: £350.00

The archive edition of the *Official Report* of meetings of the Parliament, written answers and public meetings of committees will be published on CD-ROM.

WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

Single copies: £3.75

Annual subscriptions: £150.00

Standing orders will be accepted at Document Supply.

Published in Edinburgh by Astron and available from:

Blackwell's Bookshop
53 South Bridge
Edinburgh EH1 1YS
0131 622 8222

Blackwell's Bookshops:
243-244 High Holborn
London WC1 7DZ
Tel 020 7831 9501

All trade orders for Scottish Parliament documents should be placed through Blackwell's Edinburgh

Blackwell's Scottish Parliament Documentation
Helpline may be able to assist with additional information on publications of or about the Scottish Parliament, their availability and cost:

Telephone orders and inquiries
0131 622 8283 or
0131 622 8258

Fax orders
0131 557 8149

E-mail orders
business.edinburgh@blackwell.co.uk

Subscriptions & Standing Orders
business.edinburgh@blackwell.co.uk

RNID TYPETALK calls welcome on
18001 0131 348 5412
Textphone 0845 270 0152

sp.info@scottish.parliament.uk

All documents are available on the Scottish Parliament website at:

www.scottish.parliament.uk

Accredited Agents
(see Yellow Pages)

and through good booksellers

Printed in Scotland by Astron