

# **IPA MEDIA RELEASE**

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## **PLASTIC BAG LEVY BY VIC GOVERNMENT UNCONSTITUTIONAL ACCORDING TO THINK TANK**

A plan confirmed today by the Victorian Government to charge consumers for plastic bags may be unconstitutional according to the free market think tank, the Institute of Public Affairs. The Australian National Retailers Association and the Victorian Government will trial a scheme whereby shoppers in selected stores in selected stores in Narre Warren, Wangaratta and Warrnambool will be charged a levy on plastic bags.

Professor Sinclair Davidson of RMIT University and a Research Fellow at the IPA said today: 'The High Court could find that the plan constitutes an excise tax, which state governments do not have the legal authority to impose.'

'Further the plan might also breach the Victorian Constitution. The Victorian Constitution requires that all state government revenue be paid into a consolidated revenue account. If the government uses the profit from the scheme to fund environmental projects without the profits being paid into consolidated revenue the scheme would be contrary to Victorian law.'

'This is just another tax on working families and a revenue grab by the Victorian government,' said Professor Davidson.

### **For further information and comment:**

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