



**National
Retail
Association**

SUBMISSIONS FROM THE NATIONAL RETAIL ASSOCIATION

In response to Discussion Paper:

‘Phasing out single-use plastics’

Submitted to:

ACT Government – Waste Policy, Transport Canberra
and City Services Directorate

July 2019



Disclaimer and Reproduction Permission

To the full extent permitted by law, the National Retail Association:

- makes no statements, representations, or warranties about the accuracy or completeness of the information contained in the production or its suitability for your purposes, and
- disclaims all responsibility and all liability (including, without limitation, liability in negligence) for all expenses, losses, damages and costs you might incur as a result of the information being inaccurate or incomplete in any way, and for any reason.

Copyright protects this production and resides with the National Retail Association, Australia.

All rights are reserved and no part of this material may be reproduced without the written permission of the National Retail Association.

Enquiries:

David Stout, Director of Policy

P: 0409 926 066

E: d.stout@nra.net.au

TABLE OF CONTENTS

1. INTRODUCTION	4
2. ABOUT THE NATIONAL RETAIL ASSOCIATION	5
2.1. Specialist expertise	5
3. RETAILER ACTIONS TO DATE	6
3.1. Voluntary initiatives	6
3.2. State-wide bag bans	7
3.3. Container Deposit Schemes	7
3.4. National Packaging Targets	8
3.5. Industry Code of Practice for Sustainable Shopping Bags	8
3.6. Other initiatives	8
4. KEY CONSIDERATIONS	9
4.1. Consensus, definitions and models	9
4.2. Health and safety	9
4.3. Food waste	9
4.4. Consumer behaviour and demand	10
4.5. Consumer understanding	10
4.6. Impact on household budgets	10
4.7. Unintended social impacts	11
4.8. Existing business pressures	11
4.9. Ensuring real benefit	11
4.10. Anti-competitive considerations	11
4.11. The need for national consistency	11
4.12. Investing in a circular economy	12
5. RECOMMENDED ACTIONS	13
5.1. Current actions sufficient	13
5.2. Low impact on industry – immediate action recommended	15
5.3. Medium impact on industry	16
5.4. High impact on industry and public safety	17
6. RECOMMENDED STRATEGIES	19
6.1. Voluntary approaches with business and industry	19
6.2. Education/behaviour change strategies	19
6.3. Labelling	19
6.4. Investment in education, innovation and infrastructure	19
7. CONCLUSION	20

1. INTRODUCTION

The National Retail Association (NRA) welcomes the opportunity to make submissions to the ACT Government regarding the *'Phasing out single-use plastics'* discussion paper.

The NRA acknowledges the impact of plastic on the environment, particularly when disposed of incorrectly as litter, and supports the aim of reducing the impact of litter on our natural environment. The NRA is convinced by research which indicates that plastic litter affects marine life through ingestion and entanglement, and contaminates waste treatment facilities.

While we support the need to address the impact of plastic on our environment, we submit that initiatives must be carefully-considered, trialed and assessed in order to create effective, viable and long-lasting improvements. We support the Minister's view that "any government intervention [must be] practical, particularly for consumers, and addresses important social equity concerns"¹.

Though much research has been done on the impact of plastic litter when it enters our environment, the NRA has concerns that is little consensus on what the ideal solutions are, that is: which alternatives should replace functional plastics; which solutions produce the best long-term environmental impact; which are practical and possible with current materials, technology and infrastructure; which are available and affordable in the Australian marketplace; and which has greater net public benefit.

As raised in the discussion paper², it is important to note that plastic is used by consumers and businesses for many valid reasons, including: meeting critical requirements and standards designed to prevent contamination and risk to human health; meeting consumer demand for convenience and mobility; meeting demand for products to be affordable and equitable to the majority of the population; meeting demand for products to be fit for purpose and intact upon purchasing; and meeting increasing demand to reduce food waste by reducing spoilage and extending shelf life.

For many years retailers across Australia have been proactive in various environmental initiatives, making alternative bags available, promoting their use with subtle messaging, and providing in-store recycling. The NRA submits that retailers are concerned about the impact of plastic litter on the environment, are already taking steps to improve sustainability practices, have complied with regulatory interventions to date, and need time and support to continue innovating while meeting consumer demands.

In terms of next steps, we submit that immediate action should be taken on 'low impact on industry' initiatives in which environmental impact is immediate, proven alternatives are widely available and affordable, and potential risk and impact on public safety is low. As such we are in favour of immediate regulatory action on banning outdoor balloon releases, microbeads and lightweight plastic shopping bags.

The NRA supports extending the existing regulatory ban on lightweight plastic bags in the ACT to include biodegradable and compostable lightweight shopping bags in line with more recent bans in Queensland, Western Australia and Victoria. Current research convinces the NRA that bioplastic alternatives may create issues in the environment and that these do not address the behaviour change needed to reduce waste.

Further research is needed into 'medium impact on industry' initiatives such as reducing issues caused by cotton buds, fishing gear and wet/baby wipes. These products have sizeable consumer demand and have specific purposes, including medical uses, and in our opinion, there is little research to establish and clearly recommend viable alternatives at this point in time. Research needs to be undertaken to assess whether product redesign is possible (ie. Cotton buds) or whether consumer education and recycling initiatives (ie. Fishing gear and wipes) could resolve environmental impacts while managing consumer demand.

¹ Discussion Paper, page 5

² Discussion Paper, page 8, 11

We submit that initiatives to reduce the use of plastics which contain, touch or protect foodstuffs are ‘high impact on industry’, or ‘high risk’ not only in terms of public health and safety, but in their impact on food waste, household budgets and modern lifestyles. These items, such as produce bags, foodstuff packaging, utensils, straws, stirrers, coffee cups and takeaway food containers are used for a wide variety of purposes but are common in their need to meet high standards of food safety and also in their high consumer demand.

We support the points raised in the discussion paper highlighting the need for solutions which are socially equitable³, safe and those which conclusively create better environmental outcomes⁴ rather than making matters worse.

For high complexity/high risk items, we recommend a considered and evidence-based approach and submit that voluntary industry approaches, product labelling (where appropriate) and education/behaviour change programs are the most appropriate next steps. We also submit that government research and investment into infrastructure to sustain a circular economy are also needed.

For most items raised, the NRA supports a phase-out approach via non-regulatory approaches and intermediate measures proposed in the discussion paper⁵.

2. ABOUT THE NATIONAL RETAIL ASSOCIATION

Currently, the Australian retail sector accounts for 4.1 percent of GDP and 10.7 percent of employment, which makes retail the second largest employer in Australia and largest employer of young people.

The National Retail Association (NRA) is Australia’s most representative retail industry organisation. We are a not-for-profit organisation which represents over 39,000 outlets from every category of retail including fashion, groceries, department stores, household goods, hardware, fast food, cafes and services.

We exist to help retail and service sector businesses comply with an ever changing and growing regulatory environment. Our services are delivered by highly trained and well-qualified in-house experts with industry specific knowledge and experience. We provide professional services and critical information right across the retail industry, including the majority of national retail chains and thousands of small businesses, independent retailers, franchisees and other service sector employers.

2.1. Specialist expertise

The NRA Policy Team helps retail businesses succeed and grow within an ever-changing regulatory environment. We work with a wide range of industry stakeholders – retailers, government, law enforcement, regulatory bodies, shopping centres, community groups, supporting associations and many more – to develop industry-wide policy platforms or positions on issues affecting the Australian retail sector. We bring the interests and concerns of retailers to the table to ensure that regulation is realistic, cost-effective and manageable across all retail businesses.

We work proactively at international, federal, state and local government levels to ensure the interests and needs of the Australian retail and services sectors are protected and promoted. Rather than running from inevitable regulatory change, we provide a bridge between retailers and government – facilitating the exchange of ideas and information, which ultimately leads to more informed, commercially-aware outcomes for all parties.

³ Discussion Paper, page 25

⁴ Discussion Paper page 24

⁵ Discussion Paper, page 21-22

State-wide bag bans

The NRA was directly engaged by the Queensland, Western Australian and Victorian state governments to manage the engagement and education of retailers in regard to each state's bag ban legislation. To facilitate this, the NRA developed and implemented a Retailer Transition Program tailored to each state, including:

- developing dedicated online portals of information for retailers;
- developing custom resources and signage for retailers to display in their stores to help inform staff and customers;
- delivering hundreds of workshops and tours in shopping precincts resulting in direct engagement with over 30,000 retail businesses thus far;
- delivering a dedicated Bag Ban Hotline for retailer queries; and
- developing and implementing social media and traditional media strategies to increase awareness and education.

We were also engaged by both Queensland and Western Australian governments to develop and deploy state-wide customer education and awareness campaigns supporting the introduction of each state's bag ban. These two campaigns reached over five million Australians and contributed to significant consumer behaviour change.

The National Retail Association continues to deliver complaint handling and auditing programs in Queensland and Western Australia to ensure retailers comply with the relevant legislation.

National Retail Association Sustainability Committee

The National Retail Association Sustainability Committee was launched in early 2019, consists of experts from across the retail industry, government and associated agencies, and aims to continue the positive momentum of sustainability initiatives in retail. We consider the impact of retail activities upon sustainability, the community and environment and investigate the effectiveness of policy and industry mechanisms to create sustainable change. We believe that all issues have individual causes and effects, with different commercially viable and environmentally sustainable outcomes. For this reason, it is vital to collaborate with all stakeholders to create long-lasting outcomes.

3. RETAILER ACTIONS TO DATE

For many years retailers across Australia have been proactive in various environmental initiatives, making alternative bags available, promoting their use with subtle messaging, and providing in-store recycling. The NRA submits that retailers are concerned about the impact of plastic litter on the environment, are already taking steps to improve sustainability practices, have complied with regulatory interventions to date, and need time and support to continue innovating while meeting consumer demands.

3.1. Voluntary initiatives

- Prior to state-wide bans, several towns across Australia have introduced voluntary bans on the use of plastic bags. In 2003, Coles Bay in Tasmania became the first Australian town to introduce a voluntary plastic bag ban. In November 2012, Woorabinda Shire Council in Central Queensland became the first local government area to introduce a plastic bag ban to reduce the amount of litter in the community.
- Thousands of retailers – from small to large retailers – have voluntarily stopped using plastic bags.
- Alternatives have been in use for many years in Bunnings, IKEA, McDonalds, KFC and thousands of small retail stores and food outlets.
- Coles and Woolworths voluntarily ceased supplying lightweight plastic shopping bags nationwide in June 2018. This past June, Woolworths reported issuing 3 billion fewer bags from its Australian stores in the first year of bans in Australia, while Coles reported that they were able to divert 1.7 billion single use bags from landfill. Coles and Woolworths have also introduced a range of reusable bags including an entry level bag made from 80 per cent recycled content, and a range of reusable bags that support community organisations.

- In June 2018, Coles supermarkets committed to a number of packaging initiatives, which support the Federal Government’s 2025 packaging targets, including:
 - All Coles Own Brand packaging will be recyclable by 2020;
 - More recycled content will be included in Coles Own Brand packaging;
 - Excess packaging will be reduced across stores and the supply chain;
 - Soft plastic recycling options will be available in all Coles supermarkets (which has already been achieved) ; and
 - New labelling promoting recycling will be introduced.
- In 2017 manufacturers that sell wet wipes voluntarily developed labelling standards for their products which better informs consumers of correct disposal methods. This proactive action to educate consumers about the dangers of incorrect disposal into sewerage has been fully embraced by the industry.

There are thousands of examples across Australia of initiatives in which industry has proactively taken action to improve sustainability.

3.2. State-wide bag bans

The NRA supports the view put forth in the discussion paper that: “the ACT has already taken steps to address the impact of single-use plastic through the plastic shopping bag ban, introduced in 2011. The plastic bag ban is estimated to have reduced plastic bag use in the ACT by over 310 million bags since its introduction and has significantly reduced our plastic bag consumption”.⁶ We also welcome the news that all three reviews on the ban have concluded the ban has been successful in reducing plastic bag waste⁷.

By the end of 2019, seven of the eight states and territories in Australia will have a ban on lightweight plastic shopping bags in place. The vast majority of retailers, and the NRA, have expressed strong support for bans on lightweight plastic shopping bags, given they are nationally-consistent and apply to all retailer sizes and types.

NRA intelligence indicates that the vast majority of retailers are complying with bans and shoppers have embraced new habits using reusable shopping bags and increasing their rates of recycling plastic bags and packaging. Though the bans have been a positive success, it is important to recognise that they have been one of the most significant behaviour changes in the past decade and that retailers and their staff have been at the coalface of change, enduring consumer resistance and opposition especially during the first months of the bans.

Many retailers have introduced small fees for alternative bags to cover increased costs and further reduce consumption. Retailers report that total bag consumption (including reusable options) has reduced by up to 90 per cent due to bag fees. Retailers have weathered significant consumer complaints and media criticism by introducing bag fees but the resultant reduction in consumption should be recognised and supported. Many have also introduced reusable alternatives made from recycled content, providing a viable circular economy for recycled plastics.

3.3. Container Deposit Schemes

The NRA strongly supports the implementation of Container Deposit Schemes in reducing unnecessary and problematic plastic litter and supporting a circular economy.

For example, the NRA continues to work closely with the Department of Water and Environmental Regulation (DWER) to inform the design and implementation of the Container Deposit Scheme in Western Australia which is due to be implemented in 2020.

In general container deposit schemes are an example of a well-researched, carefully-implemented and collaborative solution which addresses and integrates with consumer behaviour, business systems, circular economy objectives, as well as current waste management infrastructure. However, the fact that this one scheme

⁶ Discussion Paper, page 8

⁷ Discussion Paper, page 16

that deals with one type of plastic item takes several years to implement also illustrates that the best solution may not be the quickest but is one that is well-reasoned, tested, and ultimately designed to create real and long-lasting change.

Given the ACT CDS was only introduced 12 months ago, the NRA urges decision makers to allow manufacturers, retailers and consumers time to adjust and to avoid any further regulatory intervention (and mixed messaging) until the scheme is firmly established.

3.4. National Packaging Targets

In 2018, the Australian Government tasked the Australian Packaging Covenant Organisation (APCO) with implementing industry codes to deliver on the target of making 100% of Australian packaging recyclable, compostable or reusable by 2025 or earlier (among other measures). Many retailers are already signatories to the code and have initiatives underway to reduce or replace unsustainable packaging.

The NRA submits that the National Waste Policy should be allowed time and resources to create stated objectives and precedence should be given to these national strategies. Businesses need certainty, consistency, as well as time and resources, to enact positive change instead of diverting resources to manage conflicting compliance strategies.

3.5. Industry Code of Practice for Sustainable Shopping Bags

As raised in the discussion paper, the ACT Government is part of a multi-state working group working with retailers to enact a voluntary phase-out of boutique plastic bags. The National Retail Association is currently working in conjunction with this working group to develop an Industry Code of Practice for Sustainable Shopping Bags to outline clear road maps for businesses to work towards thicker reusable bags, alternative materials and recycled content.

3.6. Other initiatives

There are numerous positive initiatives underway across the retail and related sectors. For example, Salvos Stores have launched 'Moving the Needle' textile recycling program encouraging circular economy systems between retailers, consumers and charity stores. The Australian Government's National Food Waste Strategy, which targets halving Australia's food waste by 2030, has also been embraced by many manufacturers and retailers through collaboration in the Business Cooperative Research Centres Program. Many businesses are also investigating new technologies to recycle or reuse materials, such as Detmold Packaging's Recycle Me coffee cup program and start-ups developing ways to return plastic waste to crude oil for reuse.

The NRA emphasizes that the retail industry is proactively involved in improving sustainability and has borne the burden of recent substantial regulatory and consumer behaviour change. The NRA submits that future actions should support, not restrict, current innovation and should employ a collaborative approach to ensure practical, long-term change is accomplished.

4. KEY CONSIDERATIONS

The NRA supports reducing the amount of single-use plastics consumed and the amount of plastic entering the environment through improper disposal. However, we urge the ACT Government to collaborate with retailers, manufacturers and state and federal governments to ensure that solutions are practical, researched and consistent, and that actions take into account the following considerations.

4.1. Consensus, definitions and models

It benefits all stakeholders when we share a common definition on 'single-use' plastic however this is difficult to ascertain. For example, if a plastic is made from recycled content, should it still be classed as single-use? If a plastic is recyclable, should it still be classed as single-use? While thicker plastic bags are designed for reuse by retailers and manufacturers but are disposed of after one use by a member of the public, should they be defined as single-use?

The NRA submits that there is lack of consensus on the desired sustainable alternatives and outcomes across (and within) industry and government. For example, the Waste Hierarchy model suggests that Reusability is preferable to Recyclability, however a plastic takeaway food container is more reusable than a paper container which is recyclable.

There are multiple stakeholders such as local councils, governments, suppliers and environment groups providing contradictory or uninformed advice on sustainable alternatives, resulting in confusion for consumers and business. For example, some stakeholders recommend cotton reusable bags while others argue these have a high greenhouse impact. Retailers and consumers need clear, consistent information to be able to take action.

The NRA believes that Circular Economy models are more applicable and that, at this point in time, more focus should be placed on supporting innovation in recycled and recyclable goods, educating consumers on improving recycling behaviour to create cleaner, higher value recycling streams, shifting consumer perceptions of items made from recycled materials, investing in innovations and infrastructure, and creating a robust and commercially-viable Australian circular economy.

4.2. Health and safety

Food and safety regulations often contradict with retailers attempts to be more sustainable. For example, businesses are criticised by local food and safety regulators for stockpiling reusable boxes due to potential vermin issues. Businesses, particularly those that sell food or produce, are often faced with choices between hygienic plastic packaging and non-food grade, but more sustainable, materials.

Serious concerns have also been raised regarding the increased risk of contamination using consumers' reusable containers as businesses are not able to control cleanliness and food grade standards. Current laws allow retailers to potentially be held accountable for any adverse health impacts of contaminated food even if the consumer uses their own container.

Policies designed to address sustainability objectives must align with health and safety policies and should be consistent and applied across all levels of government.

4.3. Food waste

The Australian Government's National Food Waste Strategy aims to halve Australia's food waste by 2030.

According to the Fight Food Waste Cooperative Research Centre (FFWCRC)⁸, food loss and waste represents the third largest greenhouse gas emitter with food loss along the supply chain and food waste after purchasing. In a recent lecture, FFWCRC representative Associate Professor Karli Verghese recommended packaging opportunities

⁸ For more information see <https://fightfoodwastecrc.com.au/>

to reduce food waste including increased packaging such as portioned packets, resealability, protection, and optimal product design.

Given conflicting government strategies and advice to simultaneously reduce and increase packaging, businesses are understandably confused and more consensus on the optimum balance needs to be achieved.

4.4. Consumer behaviour and demand

Modern consumers are now somewhat more spontaneous than they were in the past, doing their shopping in conjunction with social activities or on their way to or home from school runs, university or the gym. This means that they are not always prepared and do not always come with their own reusable items. This calls for more discussion around how retailers can provide inexpensive, environmentally sustainable alternatives, supported by infrastructure that allows customers to conveniently feed their disposed items back into the circular economy.

While consumer concern for the environment is increasing, there remains high demand for inexpensive and convenient options at point of sale. Retailers also report that when it comes to paying for more sustainable options, many consumers still fail to perceive value in more sustainable products, such as recycled copy paper and recycled toilet paper which continue to suffer poor sales.

Though a small proportion of customers have started to use reusable water bottles and coffee cups, we believe that, at this time, the majority of consumers are not prepared to bring their own reusable utensils, straws, food containers and cups on every outing. If regulatory action is indiscriminate or premature, it may impose unrealistic expectations and costs on consumers, resulting in negative perceptions and potential backlash. Any action needs to have widespread support and practical solutions to create positive and long-lasting change.

The NRA submits that more research into alternatives and widespread consumer education is needed to ensure any action is practical (and therefore supported by) the majority of consumers.

4.5. Consumer understanding

The NRA believes that the modern consumer has a basic understanding of the environmental impact of plastic litter, however consumer understanding is still quite limited and often misinformed on many issues.

For example, the NRA has found that many consumers and businesses still believe that “degradable” plastic is an environmentally-friendly alternative. Many also do not know the difference between biodegradable and compostable plastic, the difference between home and commercial compostability, and how to properly dispose of these items.

The NRA submits that there is a high level of confusion and lack of consensus regarding sustainable alternatives, and that understanding of waste stream impacts is low. We submit that collaboration and extensive education should be primary objectives before any regulatory action is considered.

4.6. Impact on household budgets

Alternatives to single-use plastics such as paper or cloth options are more expensive, sometimes 1000 times more expensive. For example, a lightweight plastic shopping bag may cost 1 to 5 cents, while a paper bag of similar size costs 10 to 50 cents. In addition, there are only a handful of suppliers offering sustainable options in Australia, meaning choices are limited and prices are less competitive.

The NRA is not convinced that consumers understand the real cost of alternatives or that they will be willing to pay for more sustainable alternatives as suggested in the discussion paper⁹. It is unacceptable to expect retail businesses to carry this increased cost burden and they will ultimately need to pass these costs onto consumers. The NRA recommends that policies be carefully considered and implemented to avoid placing a heavier burden on already-stretched household budgets.

⁹ Discussion Paper, page 24

4.7. Unintended social impacts

As raised in the discussion paper¹⁰, there may be unintended social consequences of widespread bans or individual bans for single-use plastics such as a ban on flexible plastic drinking straws. Replacing these with an alternative that does not have the same flexibility could unfairly discriminate against vulnerable sectors such as the elderly and people with disability who rely on these items. While exemptions to a ban have been proposed, we believe that having to identify a medical or private condition just to use a straw (or the like) would unfairly single-out vulnerable groups and compromise privacy rights. Some parts of the community, particularly medical and care sectors, use disposable plastics, not just medical equipment packaging, for hygiene and safety reasons.

4.8. Existing business pressures

The vast majority of retailers across Australia have responded positively to state-wide lightweight plastic bag bans. However, retailers still face conflicting research on the benefits of one material over another, and the ACT legislation, to our understanding, lacks specific offences and penalties for suppliers providing retailers with false or misleading information about banned bags.

Adding further complex compliance demands would add more pressure to businesses who are already feeling a high degree of pressure. This is particularly true for vulnerable small businesses and franchisees. Numbering in the tens of thousands, these small local businesses make a significant collective difference to the economy and environment, and the NRA urges restraint so that local retailers have time to absorb the implications of current changes, and find practical, workable solutions before meeting further significant compliance demands.

4.9. Ensuring real benefit

While we support the need to address the impact of plastic on our environment, we strongly support that “robust information on the environmental and economic impacts of alternative products” must inform actions, as stated in the discussion paper¹¹. Initiatives must be carefully-considered, trialed and assessed in order to create effective, viable and long-lasting improvements.

Though much research has been done on the impact of plastic litter when it enters our environment, there is little consensus on what the ideal solutions are, that is: which alternatives should replace functional plastics; which solutions produce the best long-term environmental impact; which are practical and possible with current materials, technology and infrastructure; which are available and affordable in the Australian marketplace; and which has greater net public benefit.

The NRA submits that consensus on sustainable options based on research and collaboration must be prioritised before any further regulatory action is considered.

4.10. Anti-competitive considerations

The supply of sustainable packaging options in Australia is quite limited and therefore lacks market factors to ensure competition, fair pricing and ethical practices. If only a few manufacturers produce approved alternatives they can control and inflate market prices. The NRA submits that government needs to carefully examine and potentially invest in, the Australian sustainable packaging industry as well as strengthening the waste and recycling sector to produce viable circular economy outcomes.

4.11. The need for national consistency

A major issue for businesses is the need for a consistent approach across the states and across all types of businesses in an effort to reduce complexity, increase consumer understanding, and to produce targeted and consistent communications. We would urge the ACT government to ensure that any proposed actions align with existing initiatives and national targets to avoid confusion.

¹⁰ Discussion Paper, page 11 and 25

¹¹ Discussion Paper, page 24

4.12. Investing in a circular economy

Local governments play an important role in ameliorating the impacts of disposable plastic, but the expense is ultimately borne by our communities. The NRA believes that government needs to consider substantial investment in improving Australia's circular economy innovation and infrastructure before further regulatory change. Currently, waste management and recycling systems vary in each local government area, with many residents, particularly those in remote areas, lacking access to sophisticated recycling facilities.

Examples are provided in the discussion paper¹² of European countries enacting single-use plastic bans and other regulatory approaches. However it very important to note that, over the past 10 to 20 years, these countries revolutionised their recycling and waste management systems, combined with extensive consumer education programs, before implementing further bans. This ensures a greater level of adoption and acceptance by consumers and greater commercial viability for businesses involved. The NRA submits that the Australian system and market for recycled and recyclable goods is limited and immature compared to overseas counterparts, and government investment into innovation and infrastructure in the waste and recycling sectors is urgently needed.

¹² Discussion Paper, page 19

5. RECOMMENDED ACTIONS

While the NRA strongly agrees that plastic poses serious threats to our environment when improperly disposed, we submit that each type of item needs to be carefully considered as there is no single umbrella solution.

The NRA urges decision makers to ensure that any action taken is practical, consistent, well researched and carefully considered in order to create real, long-lasting change. In some cases, we must also allow time for innovation, understanding and practicality to catch up to our good intentions.

The NRA submits the following recommended actions, identifying where current actions or initiatives underway are sufficient, then focusing on low complexity items for immediate action and/or regulatory intervention, to high complexity (or high risk) items such as plastics which contain or preserve food.

5.1. Current actions sufficient

The NRA submits that actions that are already underway are producing positive results and both retailers and consumers need time to fully adapt to these changes.

Item	Recommended actions	Comment
Lightweight plastic shopping bags	<ul style="list-style-type: none"> Regulatory ban (in effect) Review legislation to include bioplastics and supplier offences 	<p>The NRA supports the ACT ban on lightweight plastic shopping bags and this regulatory tool has been fully embraced by the retail industry. Since the ACT ban came into effect, the majority of retailers and consumers have accepted the change and three reviews have concluded that the ban has successfully reduced plastic waste. However it is important to note some retailers may still face challenges given inconsistent information on the best alternatives and somewhat misleading information from suppliers.</p> <p>The NRA does not support introducing a mandatory plastic bag disclosure scheme or minimum plastic bag pricing proposed in the 2018 Review of the ACT plastic shopping bag ban¹³. These strategies would create unreasonable and unrealistic demands on businesses, particularly the thousands of small businesses in the ACT. We are not convinced that either of these options would reduce plastic pollution or create net community benefit.</p> <p>However, the NRA supports extending the regulatory ban in the ACT to include lightweight biodegradable and compostable plastic shopping bags as we are convinced by current research that bioplastics may not be better for the environment, and we support working towards national consistency aligned with more recent bans in Queensland, Western Australia and Victoria.</p> <p>We also submit that the existing legislation should be reviewed to include specific offences and penalties for suppliers or manufacturers of banned bags in regards to false or misleading information, as incorporated in more recent state-wide bans.</p> <p>Importantly we submit that any regulatory change would require industry consultation and community education.</p>

¹³ Discussion Paper, page 16

<p>Thicker plastic bags</p>	<ul style="list-style-type: none"> • Voluntary Code of Practice (under development) 	<p>Given recent success of the bag ban, some retailers are now researching alternatives to thicker plastic shopping bags.</p> <p>Therefore, in conjunction with state governments across Australia, the NRA are currently developing and gaining support for a National Voluntary Industry Code of Practice for Sustainable Shopping Bags. This Code is designed to provide clearer pathways and incentives for retailers to move towards more sustainable options which are thicker and more reusable or made from recycled content.</p> <p>Businesses need time to research, innovate, test and negotiate substantial changes and a tiered code would offer necessary incentives.</p>
<p>Plastic beverage containers</p>	<ul style="list-style-type: none"> • Container Deposit Scheme (in effect) • Ongoing community education 	<p>The NRA supports the ACT CDS scheme introduced 12 months ago and welcomes news that the scheme is already diverting millions of beverage containers from the environment and landfill¹⁴.</p> <p>Given the ACT CDS was only introduced 12 months ago, the NRA urges decision makers to allow manufacturers, retailers and consumers time to adjust and to avoid any further regulatory intervention (and mixed messaging) until the scheme is firmly established.</p>
<p>Plastic packaging</p>	<ul style="list-style-type: none"> • Voluntary Code of Practice via Australian Packaging Covenant (underway) • Ongoing community education 	<p>Some plastic packaging preserves the life of goods from point of sale to home, minimising breakages and reducing the amount of damaged goods ending up in landfill. However, the retail industry shares the government's concern and already taking action to reduce or replace any excessive packaging.</p> <p>The Australian Government has tasked the Australian Packaging Covenant Organisation (APCO) with implementing industry codes to deliver on the target of making 100% of Australian packaging recyclable, compostable or reusable by 2025 or earlier. The NRA submits that action is underway and should be given time to deliver.</p> <p>Education campaigns for consumers regarding their recycling options, such as 'Recyclopaedia'¹⁵ are also beneficial.</p>

¹⁴ https://actcds.com.au/act_news/act-cds-celebrates-one-year-anniversary/

¹⁵ Discussion Paper, page 17

5.2. Low impact on industry – immediate action recommended

We submit that **immediate action** should be taken on ‘**low impact**’ initiatives in which environmental impact is immediate, proven alternatives are widely available and affordable, and potential risk and impact on public safety and retailers is low.

As such we are in favour of immediate action on banning outdoor balloon releases, phasing out microbeads and banning lightweight plastic shopping bags. We also support further education campaigns and harsher penalties for cigarette butt littering.

Item	Recommended action/s	Comment
Balloon releases	<ul style="list-style-type: none"> • State-wide ban on outdoor releases 	<p>The NRA supports a state-wide ban on outdoor helium balloon releases. Similar to sky lanterns, it is impossible to control the final destination of helium balloons and therefore they invariably end up as litter.</p>
Cigarette butts/filters	<ul style="list-style-type: none"> • Education campaign • Increased disposal points • Increased penalties 	<p>The NRA supports education campaigns to educate consumers in the volume and impact of cigarette butt litter to create greater disapproval of littering.</p> <p>Since smoking has become illegal within 5 metres of many public places, many rubbish bins or public ashtrays have been removed to discourage smoking in these areas. Shopping precincts have reported increased cigarette butt littering just beyond non-smoking areas as bins have been removed. Increasing suitable places for disposal may assist in reducing litter.</p> <p>The NRA also supports increased penalties for those caught littering cigarette butts.</p>
Microbeads	<ul style="list-style-type: none"> • Voluntary approaches with industry • State-wide ban 	<p>Microbeads are a great example of the success story of voluntary reduction strategies with many manufacturers having already removed microbeads from their products.</p> <p>Microbeads are also an example of non-essential plastics which can be replaced through more sustainable product design. The current level of global support for the eradication of microbeads plus the incentive for companies not to risk consumer disapproval for microbeads may result in eradication of microbeads entirely.</p> <p>However, if voluntary actions do not resolve the issue within the next few years, a state-wide or national ban may be worth considering.</p>

5.3. Medium impact on industry

Further research is needed into ‘medium impact’ initiatives such as reducing issues caused by cotton buds, fishing gear and wet/baby wipes. These products have sizeable consumer demand and have specific purposes, including medical uses, and in our opinion, there is little research to establish and clearly recommend viable alternatives at this point in time.

Research needs to be undertaken to assess whether product redesign is possible (ie. Cotton buds) or whether consumer education and recycling initiatives (ie. Fishing gear and wipes) could resolve environmental impacts while managing consumer demand.

Item	Recommended action/s	Comment
Cotton buds with plastic shafts	<ul style="list-style-type: none"> • Sustainable product design • Infrastructure/recycling • Labelling 	<p>The antibacterial properties of cotton buds makes them a significant item used in makeup application and removal, for cleaning babies and children, and for various medical purposes.</p> <p>Most cotton buds are designed with mixed materials and therefore difficult to recycle. They do not appear to be a notable part of litter impacting the environment but do impact landfill.</p> <p>Manufacturers should be given time and support to invest in more sustainable product design, assessing potential cost impacts on community segments, and infrastructure for recycling mixed-material goods should be explored.</p>
Fishing gear	<ul style="list-style-type: none"> • Increased public bins • Behaviour change strategy 	<p>Fishing line in marine environments and waterways is catastrophic to birds and sea creatures. Unfortunately there does not seem to be viable alternatives available in the marketplace.</p> <p>If no alternative product can be found, the NRA proposes that education and behaviour change is critical. For example, increasing places for disposal of broken line around fishing spots and strategies that incentivise returning broken fishing line to fishing stores for recycling, similar to battery return schemes may be effective when coupled with targeted education campaigns.</p>
Wet or baby wipes	<ul style="list-style-type: none"> • Labelling (in effect) • Education • Behaviour change strategy 	<p>Manufacturers that produce wet wipes developed a new disposal labelling Code of Practice in 2017, which clearly labels products with a ‘do not flush’ symbol. Unfortunately some consumers continue to use these items improperly and the NRA proposes that community education campaigns and alternative disposal solutions (including sanitary units) should be explored.</p>
Balloons	<ul style="list-style-type: none"> • Education campaign • Behaviour change strategy • Labelling 	<p>There is currently no reuse or recycling method for used balloons, which means that the government must decide if landfill is an acceptable solution or not. We believe that the government would face considerable public backlash if a ban was proposed.</p> <p>Public education campaigns and behaviour change strategies have proven successful in increasing responsible use (i.e. not using balloons in outdoor environments) and reducing improper disposal. Research could also be undertaken into innovative recycling strategies similar to those developed for PVC recycling in other countries.</p>

5.4. High impact on industry and public safety

We submit that initiatives to reduce the use of plastics which contain, touch or protect **foodstuffs** are **'high impact'**, or **'high risk'**, not only in terms of public health and safety, but in their impact on food waste, household budgets and modern lifestyles.

These items, such as produce bags, foodstuff packaging, utensils (cutlery, stirrers, plates, cups), straws, beverage containers, coffee cups and takeaway food containers are used for a wide variety of purposes but are common in their need to meet high standards of food safety and also in their high consumer demand. They are also common in that there is little consensus or consistent advice on optimal alternatives.

These high risk items require a more carefully-considered, methodical approach to trial and assess food grade, heat tolerant and sustainable substitutes, not just testing their end use but throughout the supply, waste and recycling chain to assess net public and environmental benefit.

Our members report that currently a very small proportion of customers bring their own reusable coffee cups (less than 3 per cent) or bring their own food containers (less than 1 per cent). Though many consumers may indicate their support in principle for a ban on single-use plastics, we strongly believe that many have not considered practical issues of banning foodstuff plastics, implications for food waste, limitations of alternatives, or that they would face increased costs at point of purchase.

For high complexity/high risk items, we recommend a considered and evidence-based approach and submit that **non-regulatory approaches** are the most appropriate next steps. We also submit that government research and investment into infrastructure to sustain a circular economy are also needed.

Item	Recommended action/s	Comment
Barrier/produce bags AND Prepacked fruit & vegetable	<ul style="list-style-type: none"> • Education campaign supporting reduced food waste • Increased collection points for soft plastics • Investment in recycling infrastructure 	<p>Any barrier or produce bag or packaging that contains food is designed to avoid contamination and improve shelf life of some of our most nutritious food groups.</p> <p>To eliminate these plastics altogether would have serious repercussions for consumers, retailers, the local economy and environment:</p> <ul style="list-style-type: none"> • Increased food waste • Increased risk of contamination • Increased cost to consumers <p>To our knowledge, no viable alternative to plastic produce bags that meets health and sustainability needs is available. The NRA is also convinced by current research indicating that available bioplastics are problematic in the environment, recycling infrastructure and consumer behaviour.</p> <p>Most soft plastics are recyclable but are not currently catered for in local government recycling systems. Retailers have voluntarily taken steps to fill this void, for example, Coles and Woolworths offer soft plastic recycling in-store via an arrangement with REDcycle which provides customers with a practical, accessible way to recycle soft plastics.</p> <p>The NRA submits that the Australian system and market for recycled and recyclable goods is limited and immature compared to overseas counterparts like the EU, and government investment into innovation and infrastructure in the waste and recycling sectors is urgently needed.</p>

		<p>The NRA supports the Australian Government’s national strategy to reduce food waste and believes that the public would benefit from education campaigns around the benefits of foodstuff plastic packaging in reducing food waste, coupled with education about recycling soft plastics. For example the Fight Food Waste Cooperative Research Centre recommends consumer education about the role of packaging¹⁶.</p> <p>We also propose that government consider investing in soft plastic recycling being incorporated into household recycling systems.</p>
<p>Cutlery, straws, stirrers AND Takeaway food containers AND Takeaway coffee cups, lids</p>	<ul style="list-style-type: none"> • Voluntary approaches with business & industry • Sustainable product design • Investment in innovation and recycling infrastructure 	<p>The NRA submits that more research is needed into sustainable alternatives to plastic cutlery, cups, stirrers, drinking straws, takeaway coffee cups and lids, and takeaway food containers.</p> <p>These items have filled modern consumer demand for mobility and convenience in line with current lifestyles. Though some consumers may support a ban on single-use plastics in principle, current consumption, low take-up of reusable options, and implications of increased cost need to be considered.</p> <p>The NRA submits that research and collaboration is needed to reach consensus on sustainable alternatives and which ones actually achieve better environmental outcomes. For example, paper straws usually use virgin timber to meet food grade (ie. potential deforestation) and are often coated in plastic or wax, and bamboo utensils still pose an environmental threat (i.e. methane gases) as they slowly break down in landfill.</p> <p>All of these items are generally purchased in one place and consumed while mobile or elsewhere which can make product stewardship recycling initiatives difficult.</p> <p>The NRA recommends that a reduction in these plastic items is approached in a staged way, with a whole of supply chain approach, including more recycling options to find the best solution with the greatest overall benefit.</p> <p>We also submit that greater government investment in new technologies, such as developing food grade, heat tolerant containers made from recycled and recyclable materials should be explored.</p>

¹⁶ See: <https://fightfoodwastecrc.com.au/project/consumer-perceptions-of-the-role-of-packaging-in-reducing-food-waste/>

6. RECOMMENDED STRATEGIES

6.1. Voluntary approaches with business and industry

Voluntary approaches reward early adopters, motivate retailers to understand the reasons for regulatory change, signal a need for innovation, and give smaller local retailers already experiencing the burden of a complex regulatory environment time to make adjustments and find workable sustainable alternatives. Most importantly, a slower, steadier approach like this gives regulators insight into the problems and issues inherent in changes of the magnitude considered here.

Microbeads are the perfect example of the success of voluntary reduction strategies. The current level of global government and industry support for the eradication of microbeads, when coupled with consumer education programs, can be enough to eradicate microbeads now and for the future.

The NRA submits that many positive initiatives involving collaboration between government and industry are underway, such as the Australian Packaging Covenant, Container Deposit Schemes and an Industry Code for Sustainable Shopping Bags, and these need time and support to deliver outcomes. The NRA urges decision makers to support circular economy initiatives which aim to create a long-term and commercially-viable shift from treating 'waste' as a 'resource', not just reduction in use.

For example, the NRA puts forward the container deposit scheme model as a researched, carefully-implemented solution which addresses and integrates with consumer behaviour, business systems, circular economy objectives, as well as current waste management infrastructure. The fact that this one scheme that deals with one type of plastic item takes several years to implement also illustrates that the best solution may not be the quickest but is one that is well-reasoned, tested, and ultimately designed to create real and long-lasting change.

6.2. Education/behaviour change strategies

The NRA submits that though consumers are generally concerned about the impact of plastic on the environment, they lack understanding on many issues such as degradability, bioplastics, recycling markets, impacts on waste management systems and the benefits of supporting goods made from recycled materials. Businesses are similarly faced with confusion, misinformation and misleading claims from suppliers, and many report that they don't know which alternatives provide the best environmental outcome.

Much greater investment in, and more nationally-consistent, education of consumers and businesses is needed.

6.3. Labelling

National manufacturers are currently adopting the Australasian recycling label which clearly outlines the waste streams for recycling. The NRA recommends that government do more to help educate consumers, for example, council websites could reflect this information and include all current recycling streams, including the retail initiative REDcycle.

6.4. Investment in education, innovation and infrastructure

The NRA submits that the Australian recycling system and market for recycled and recyclable goods is limited and immature compared to overseas counterparts like the EU, and government investment into innovation and infrastructure in the waste and recycling sectors is urgently needed to develop a circular economy in Australia.

The NRA also submits that there is a high level of confusion and lack of consensus regarding sustainable alternatives, that understanding of waste stream impacts is low, and that contradictory messaging around food waste and packaging confuses businesses and consumers. We submit that collaboration and extensive education should be primary objectives before any regulatory action is considered.

7. CONCLUSION

Moving towards a circular economy requires a change in perception, a shift from thinking of consumed items as 'waste' towards seeing them as valuable 'resources'. This requires incremental steps and a whole of supply chain approach, not just avoidance, with the right infrastructure and investment in innovation to create long-term change.

Retailers are keen to collaborate and be part of the solution. Many retailers are taking a proactive approach to environmental initiatives and strongly support current regulations and initiatives. At the same time businesses are faced with a myriad of regulations, economic pressures, consumer demands, health and safety requirements, cost limitations, misinformation about alternatives, and lack of recycling infrastructure.

Therefore we urge decision makers to:

- Support current positive initiatives without regulatory intervention;
- Take immediate action on items with low impact on industry;
- Collaborate with industry in investigating, trialing and assessing alternatives to plastic items deemed high risk particularly those which touch or contain foodstuffs;
- Assist with research into sustainable alternatives to provide businesses with nationally-consistent, practical, best practice advice;
- Continue to invest in community education campaigns particularly regarding recycling, food waste and the realities facing Australian businesses as they move towards more sustainable options;
- and
- Invest time and resources into improving innovation and infrastructure to help build a circular economy in Australia.

Thank you for this opportunity to provide our submissions on behalf of the retail industry and our members.

Should you have any queries, I can be contacted on 0409 926 066 or d.stout@nra.net.au.

Yours faithfully,



David Stout

Director, Policy

National Retail Association



National
Retail
Association