

Thursday 30 July, 2020

Committee Secretary
Natural Resources, Agricultural Industry Development and Environment Committee
Parliament House
George Street
Brisbane Qld 4000

Sent via email: NRAIDEC@parliament.qld.gov.au

RE: Waste Reduction and Recycling (Plastic Items) Amendment Bill 2020

Dear Committee Secretary,

We welcome the opportunity to provide feedback on the *Waste Reduction and Recycling (Plastic Items) Amendment Bill 2020*.

Background

The Australian retail sector represents approximately \$329 billion in trade and over 1.5 million employees. The National Retail Association (NRA) is Australia's most representative retail industry association. We are a not-for-profit organisation based in Brisbane which represents over 39,000 outlets from every category of retail, including fashion, groceries, department stores, household goods, hardware, fast food, cafes and services. Of these, over 5000 are Queensland retail outlets. We work with the majority of national chains, franchises and thousands of small businesses.

The NRA have a great track record when it comes to proactive initiatives that bring industry, government and community together to not only protect our environment, but deliver beneficial outcomes for all. Over the past few years, the NRA and our members have been instrumental in some of the most significant environmental changes in Australia, from over 3 billion lightweight plastic bags being prevented from consumption, to collaborating on key taskforces responsible for rolling out container deposit schemes and voluntary product stewardship schemes.

The NRA are also proud to be active members of the Queensland Single-Use Plastics Stakeholder Taskforce.

Our support

As per our submission to the Regulatory Impact Statement (RIS), the NRA supports the Queensland Government's review of single-use plastic and is also supportive of the aim of reducing the impact of litter on our natural environment. For many years, retailers across Queensland have been proactive in various environmental initiatives, investing heavily in innovation, making alternative available, promoting reusable alternatives, and providing in-store recycling.

We support the tabled Bill as follows:

1. The NRA supports a ban on single-use plastic straws, stirrers, plates, bowls and cutlery, where single-use plastic item is defined in the legislation as "a plastic item, other than a plastic item that is compostable, designed to be used only once."

- a. This definition is clear and in harmony with international definitions.
 - b. These items have readily available alternatives, though we note that they will incur higher cost.
2. The NRA supports that items which are an integral part of a shelf-ready food or beverage product are not considered banned items.
 - a. Many food and beverage products require a utensil or foodware to consume the product away-from-home and these have limited to nil alternatives available at this point in time. For example, there are currently no disposable alternatives to plastic plates in frozen meals which can withstand freezing, microwave heating and long storage periods without adverse effects on health, safety or taste. There are also limited alternatives to juice box straws which would be sharp enough to pierce the box while being safe for children to use.
3. The NRA supports that cutlery, bowls and plates which are certified as compostable (either via AS 4736 or AS 5810) are exempt from the ban.
 - a. Viable alternatives made of bioplastics such as polylactic acid (PLA) exist for these items and while many retailers will be able to use non-plastic alternatives, these options may assist retailers who cannot use these due to heat, spillage, contamination or safety.
 - b. We emphasize the need for products to be properly tested and certified by reputable bodies, as well as oversight from government to ensure 'greenwashing' does not occur. Retailers need certainty when ordering these supplies and we agree that strict penalties should apply for those that provide false or misleading information.
 - c. The NRA notes, as per our submission to the RIS, that we would prefer that the exemption did not extend to straws and stirrers as these are more readily littered and viable alternatives exist.
4. The NRA commends the Government's approach to allowing exemptions only for particular types of businesses and organisations to provide straws to those needing these tools for medical reasons.
 - a. We believe that allowing only select organisations to provide straws sends clear signals to consumers and businesses, enabling more effective education and more transparent enforcement of the ban.
 - b. We believe this approach also lowers the risk of unintended breaches of people's privacy (compared to all retailers having to assess a person's need upon a request of a straw), while also providing a high level of access as the network of healthcare providers across Queensland is extensive in metropolitan, regional and remote areas.
5. The NRA also supports, in principle, how regulations and amendments to the Bill will be reviewed and considered in the future. As with this legislation, industry, government and community collaboration will be key to future considerations to ensure initiatives are well-reasoned, realistic, practical and successful.
6. In principle, the NRA supports an implementation date of 1 July 2021, however we note that COVID-19 restrictions and associated supply chain complications warrant ongoing consideration.
 - a. The government may need to consider allowing retailers to exhaust stock purchased prior to the legislation being passed to avoid large quantities ending up in landfill.
 - b. We propose that government, industry and community continue to work together to provide feedback on potential challenges and solutions.

Other comment

1. It is well-known that alternatives to single-use plastics such as paper, bamboo or wood options are more expensive. For example, a carton of 5000 plastic straws is approximately \$10-15 wholesale, whereas 5000 paper straws can cost \$100-140. In addition, there are only a handful of suppliers offering bulk sustainable options in Australia, meaning choices are limited and prices are less competitive.

Unlike the bag ban, we do not believe customers will accept separate charges for straws, utensils, bowls or plates as they are perceived as an essential part of consuming the product. It is unacceptable to expect retail businesses to carry this increased cost burden and they will ultimately need to pass these costs onto consumers by raising the price of goods.

Industry supports sustainable initiatives, however it should be noted that any change to an item in a retailer's product range entails significant cost, resources and time, and retailers need to have confidence that they are making the right change and for the long-term. It is almost impossible for national retailers, in particular, to change a product in one jurisdiction and make different changes in another jurisdiction a short time later.

Increased costs do not just apply to the increased cost of supplies, as thousands of stores and franchises will need to do the following, all of which incur time and resource costs, to comply with the ban:

- redesign and test products for safety and compliance;
- renegotiate volume-based contracts which can be 3 to 5 year contracts;
- source new supply partners if current partners do not supply compliant items;
- explain specifications to international manufacturers;
- reassess order volumes and predictions of consumption levels;
- reassess supply chains and logistics (eg. wood and bamboo entail more weight in transport);
- reformulate pricing and changes across menu boards, websites and multiple delivery apps;
- train their teams and convince franchisees and shareholders;
- inform customers before and during the change; and
- exhaust old stock sitting in the distribution chain and in stores.

2. The NRA submits our support for expanded polystyrene foodware and oxo-degradable plastics to be included in the ban, as per our recent letter to the Minister (attached).
 - a. These items are problematic and damaging to the environment, and we are particularly concerned by oxo-degradable plastics being promoted as 'environmentally-friendly' by suppliers and that consumers misunderstand these 'degradable' claims as well.
 - b. Most national quick service restaurants ceased using expanded polystyrene foodware over a decade ago.
 - c. These items are due to be banned in other Australian jurisdictions this year and we urge governments to harmonise initiatives to provide certainty for retailers and consumers.
3. We note that the legislation refers to single-use items which are "sold", but it is our understanding that the Waste Act defines this to include those provided free of charge for a commercial or promotional purpose. We support that the ban should apply to items that are sold or given away, and that this should be clearly communicated to suppliers, businesses and consumers.
4. We submit that the legislation should articulate that items manufactured, transported or stored in Queensland but that will be consumed outside of Queensland are not included in the ban. For example a franchise may have items that are produced in Queensland, stored in distribution centres, and sold or transferred to operations outside Queensland for end use.

5. Standardising the waste and recycling sector and increasing access to food and organics recycling (FOGO) at a household and business level will be important strategies to consider in conjunction with this ban and future initiatives. For example, food waste accounts for a greater greenhouse impact than plastic and, in fact, greater than the global airline industry. Retailers need a whole-of-supply-chain approach from government, investment in practical innovation, and increased consumer education on the balance between packaging that can reduce food waste and available recycling options.

6. We submit that extensive community and business education will be needed as soon as possible to provide enough time for consumers to prepare for the ban and for businesses to source alternatives, renegotiate contracts, arrange logistics, retrain staff and inform their customers. Small food businesses, and those in regional or remote areas, will need specific attention to ensure they understand the ban, manage the transition and minimise costs to their business and their local economies.

We emphasize that this education should commence as soon as the legislation is passed. The NRA is well-placed to assist government with these consumer and business education campaigns, having engaged over 14,000 Queensland retailers for the ban on lightweight plastic shopping bags in 2018.

Finally, we request that I be allowed to participate in the Parliamentary Committee hearing should an opportunity arise. We would welcome the opportunity to provide further detail behind our support and submissions.

Should you have any queries, please contact me on d.stout@nra.net.au or 0409 926 066.

Yours sincerely,

A handwritten signature in black ink, appearing to read "D Stout".

David Stout
Director, Policy

National Retail Association