



23 September, 2020

ACT NoWaste

ACT Government

By email ACTWastePolicy@act.gov.au

To whom it may concern,

The National Retail Association (NRA) welcomes the opportunity to provide feedback on the ACT Government's *Plastic Reduction Bill 2020* (the *Bill*). We appreciate being involved in the Stakeholder Taskforce and being provided an opportunity to review the Exposure Draft.

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. 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 billions 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 ACT Plastic Reduction Taskforce.

Our support

As per our submission to the 'Phasing out single-use plastics' the NRA supports the ACT 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 Australia 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 *Bill* as follows:

1. The NRA supports a ban on single-use plastic beverage stirrers, cutlery, and expanded polystyrene containers where single-use plastic item is defined in the legislation as “a plastic product that is designed or intended to be used once only.”
 - 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.
 - c. Most national quick service restaurants ceased using expanded polystyrene foodware over a decade ago.

2. The NRA supports that banned single-use expanded polystyrene containers do not include a container that is an integral part of the packaging in which food or beverages are sealed before retail supply.
 - a. However, the Bill fails to exempt cutlery and stirrers which are included in shelf-ready sealed food and beverage products, such as spoon in a yoghurt tub.
 - b. We note that at the ACT Plastic Reduction Taskforce meeting held on 19 August 2020, as per the minutes, “NoWaste confirmed that these would be exempt from the phase out and clarity around this would be provided”.
 - c. We recommend that this exemption be included in the Bill. If not, we request written confirmation that regulation will exempt these items.

3. The NRA supports an implementation date of 12 to 18 months from the date the Bill is passed by parliament, however we note that COVID-19 restrictions and associated supply chain complications warrant ongoing consideration.
 - a. If any earlier commencement date is implemented, 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.

4. 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.

Other comment

1. Costs

It is well-known that alternatives to single-use plastics such as paper, bamboo or wood options are more expensive. 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 utensils or containers 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.

2. Timing

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.

3. Ensuring consistency and environmental benefit

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.

4. Supply

We submit that the legislation should articulate that items manufactured, transported or stored in the ACT but that will be consumed outside of the ACT are not included in the

ban. For example, a franchise may have items that are produced in the ACT, stored in distribution centres, and sold or transferred to operations outside the ACT for end use.

5. **Complementary action needed**

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. **Engagement**

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 80,000 retailers for the QLD, WA, and VIC bans on lightweight plastic shopping bags.

7. **Second stage**

It is proposed in the *Updated Next Steps* document that the following will be phased out 12 months after the first stage of bans. The items flagged are:

- Single-use plastic fruit and vegetable barrier bags
- Oxo-degradable products
- Single-use plastic straws

The NRA supports bans of the latter two items as safe viable alternatives exist, but emphasizes the need for further consideration and consultation regarding barrier bags. The critical challenge retailers currently face is ensuring food safety especially in preventing contamination between fresh produce, raw meat products and packaging of other products. Retailers are, understandably, held to high standards of food safety by multiple laws and regulations which preclude them from changing or removing packaging to something which could jeopardise human health. Currently there are no viable alternatives to plastic barrier bags that provide the same level of food safety without significantly increasing costs for retailers and therefore consumers.

The NRA therefore seeks further consultation on items considered for the second stage, and seeks to confirm that passage of the *Plastic Reduction Bill 2020* is not approval of the second stage bans.

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,

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National Retail Association