



11 January 2022

ACT NoWaste
Waste Policy
Transport Canberra and City Services Directorate
By email singleuseplastics@act.gov.au

To whom it may concern,

The National Retail Association (NRA) welcomes the opportunity to provide feedback on the ACT Government's *Phasing out single-use plastics: Next Steps Policy*. We appreciate being involved in the ACT Plastic Reduction Stakeholder Taskforce and the Governments ongoing commitment to industry consultation.

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 42,000 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 of 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 for the *Plastic Reduction Act 2021*

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.

As the most representative retail association and having delivered the extensive pre-ban engagement program with over 500 businesses to support their transition, the NRA has an extensive and practical understanding of the Bill and impacts on businesses.

Tranche 2

It is proposed in the *Next Steps* document that the following will be banned in the ACT from 1 July 2022.

- Single-use plastic straws
- Oxo-degradable products
- Cotton buds with plastic sticks
- Single-use plastic fruit and vegetable barrier bags

Feedback on items in scope

1. Single-use plastic drinking straws

The NRA **supports** the proposed ban on **single-use plastic drinking straws** (with an exemption for specific organisations). There are safe and viable alternatives readily available and many retail businesses have already phased out single-use plastic drinking straws. We believe that bioplastic straws, such as sugarcane and PLA, should also be banned as they are just as harmful when littered.

The NRA supports an exemption model, such as that used by Queensland, which allows a specific list of exempt organisations to supply banned items to ensure access for those with disability or healthcare needs. This should be voluntary not mandatory to encourage most businesses and organisations to change from single-use plastic straws and prevent loopholes.

2. Cotton bud sticks with plastic shafts

The NRA **supports** the proposed ban on **cotton bud sticks with plastic shafts**. The majority of retailers have changed their own ranges to paper or fibre-based shafts, and some have introduced reusable sticks with replaceable heads.

We note that most of the remaining products impacted are imported or small specialty brands, and we recommend that legislation should focus on manufacturers rather than retailers who have little control over their production.

3. Oxo-degradable products

The NRA **supports** a ban on plastic products which contain **oxo-degradable additives**.

We note that the ACT Government has clarified, via the Plastic Reduction Taskforce, that this is intended to specifically apply to products that make claims of degradability. The NRA is supportive of this reasonable and considered approach as Australian retailers have limited oversight over chemical compositions of products if they are not declared in material specifications or labelling. Currently we understand oxo-degradable additives to be found solely in products made from plastic film, not hard or moulded plastic items.

The NRA also submits the following for consideration.

- Use the term *fragmentable additives* instead of *oxo-degradable plastics* to minimise confusion and expand the ban to include various terms used to describe the additives, such as marine degradable and landfill degradable.

- Timelines need to account for significant lead-times of up to 18 months if businesses are expected to achieve a certification or standard.
- Businesses rely on specifications, not statements of intention or loose definitions, to communicate with their manufacturers. Definitions must clarify technical terms and provide guidance on the exact chemical additives which are banned.
- We recommend that the ACT Government publish a list of product types commonly found to include oxo-degradable additives to assist retailers and suppliers in auditing and identifying at-risk ranges.

We note our assumption that products which are biodegradable will not be captured by the ban. We understand the ban to capture only plastic products which have fragmentable additives, not bioplastics or compostable plastics, and that certification of these properties is not required under this ban.

4. Single-use plastic fruit and vegetable barrier bags

At this point in time, we submit that a ban on **single-use plastic fruit and vegetable barrier bags** is **premature** and would increase the risks and costs of fresh produce in the ACT for no environmental benefit.

Our key concerns are:

- consumers still need and demand protection and storage options for their produce – especially during or after a health pandemic - meaning retailers will face pressure to increase pre-packaged produce;
- the current produce bags provided are highly recyclable through soft plastic recycling systems such as RedCycle, which is industry-funded;
- alternatives are limited to compostable plastic bags, which deliver lower barrier properties and offer no environmental benefit in landfill or litter unless they are home compostable certified and the consumer has a home compost bin;
- the ACT currently lacks composting collection or infrastructure meaning the current recyclable bags would be changed to bags solely destined for landfill.

The NRA provides the following submissions regarding produce bags, as raised by retailers, suppliers and industry bodies.

a) *Rationale and goals*

The NRA supports the ACT Government's long-term aim to reduce single-use plastic that cannot be easily recycled and will either end up in landfill or as harmful litter.

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.

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.

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.

We submit that barrier bags are one of the lowest littered plastic items and are easily recyclable via industry-funded RedCycle, which is due to expand through the recent merger with IQ Renew. As we speak there are innovative programs underway, such as Curby (household soft plastics collection), which will potentially revolutionise soft plastic recycling in Australia and generate high demand for recycled plastic. We urge all state and federal governments to support, and invest in, nationally-consistent circular economy programs to create long-term solutions.

b) Food Safety

The critical challenge retailers currently face is ensuring food safety. Barrier bags ensure that fruit and vegetables, especially those that are not cooked or peeled, such as lettuces, cabbage or peaches, do not come into contact with unhygienic surfaces or grocery items (i.e., trolley, baskets, raw meat, cleaning products, automotive oil, reusable bags). Grocery delivery providers may also use barrier bags to ensure that cleaning products and chemicals do not leak or come into contact with unpackaged food.

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 consumers. For example, compostable bags have been found to leach chemicals, become brittle or melt under heat or pressure, and tear easily.

c) 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), food loss and waste represents the third largest greenhouse gas emitter. Packaging, such as produce bags, plays a vital role in reducing food waste including: extending shelf life with air/moisture barriers; reducing spoilage during transport, while on display, and in the household fridge; providing freezer-safe packaging to extend useful life; and reducing food waste by controlling portion size. For example, a plastic wrapped continental cucumber lasts three times longer than an unwrapped continental cucumber.

The FFWCRC recommends packaging opportunities 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.

d) Concerns with alternatives - compostable barrier bags

i. No FOGO collection system

With no state-wide food organics and garden organics (FOGO) waste collection service which accepts compostable packaging available ahead of the proposed 1 July 2022 ban, most bags will be destined for landfill, presenting no tangible environmental benefit. Compostable bags, whether composted or disposed of in landfill, represent the end of the waste hierarchy, disposal. On the other hand, plastic fruit and veg barrier bags are recyclable via industry-funded RedCycle.

Most commercial composting facilities do not accept packaging due to the extreme difficulty in identifying, sorting, separating the compostable products from non-compostable traditional plastics. Moreover, packaging presents minimal nutritional value for compost and can contaminate the batch if exposed to chemicals during use.

A key policy priority for ACT Government should be the standardisation of the waste and recycling sector and increasing access to FOGO at a household and business level. 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 food waste.

ii. Increased cost

Compostable barrier bags are approximately 3 to 5 times more expensive per unit compared to plastic barrier bags when purchased in bulk quantities (more if bought in smaller volumes). Suppliers have raised with the NRA that businesses may also go through more bags as they do not last as long on-shelf and are sensitive to heat and moisture. Similarly, consumers are likely to use extra bags as compostable bags are less strong and certain products may need to be double-bagged. New bag roll-holders may also be required if rolls have different core tube measurements.

The NRA conservatively estimates that changing to compostable produce bags (and associated equipment and scale changes) would equate to a minimum of \$1 million per annum increase to the cost of living in the ACT. This cost would need to be absorbed into the price of fresh produce, especially in small businesses, which are extremely price-sensitive. Should this decrease fresh produce sales in favour of imported pre-packaged goods, there would be ramifications on the supply chain and farming communities.

iii. Production

Manufacturers have advised the NRA that compostable bags have a higher environmental impact during production compared to conventional plastic as more water, energy and agriculturally sourced inputs are required.

iv. Greenwashing risk

We believe there is significant risk of the ban being perceived as “greenwashing” when citizens realise they have to change from recyclable items to those which increase resource use and are currently destined for landfill, and therefore potentially worsening environmental outcomes.

The NRA notes that we do support compostable plastic alternatives in specific situations where these will improve environmental outcomes without jeopardizing food safety. Many retailers are conducting testing and trials of compostable products, including produce bags, however results currently indicate that more innovation, refinement and time is needed to develop viable long-term solutions. We encourage the ACT Government to help industry to accelerate this process by investing in research and development, as well as rolling out food and organics collection systems which accept compostable packaging.

e) Concerns with alternatives - paper bags

Paper bags are far less durable than plastic, unable to hold awkward, large or heavy quantities of produce and condensation can cause bag breakages. Paper bags are also heavier and take up more storage space than plastic bags, different bag holders will need to be introduced in all stores. The recyclability of paper bags is also affected by exposure to food or chemical contaminants and if they are wax or plastic lined. Paper bags also have a limited recyclable lifespan as the fibrous structure begins to breakdown where plastic bags are endlessly recyclable through soft plastics recycling.

The NRA submits that paper bags present a far higher greenhouse gas emissions than plastic over its entire lifetime compared to plastic and lifecycle analysis of alternatives need to be undertaken by ACT Government.

f) Concerns with alternatives - reusable bags

Reusable bag materials include cotton, jute, and nylon. Reusable barrier bags range between 50 cents and \$5 per bag depending on size and material. With these high unit costs, banning plastic barrier bags will see a significant cost of living impact on Canberrans. In addition, a lifecycle analysis comparing reusable barrier bag materials versus single-use plastic barrier bags to understand the environmental benefit is critical as many crops, such as cotton, use more water and greenhouse gases to produce.

g) Customer demand

There is still a very high level of consumer demand for produce bags. While citizens may be supportive of plastic bans in principle, actual consumer behaviour is much slower to change, and any premature action creates backlash on businesses and government.

Unlike reusable shopping bags which are now used by up to 70% of customers when grocery shopping, retailers report less than 5% of customers using reusable produce bags. The demand for barrier bags and pre-packaged produce has also multiplied during the pandemic with customers wishing to limit exposure to staff handling. The removal of barrier bags without a comparable alternative or largescale consumer education will see significant backlash towards retail staff.

In addition, it is assumed that produce bags sold in other areas of a supermarket would be included in the ban as it would be difficult to explain to consumers why the same bag was banned when provided free in one aisle but allowed when charged in another aisle. This would mean that bags used for freezing foodstuffs, packing lunches and storing other items would be impacted. We note that compostable plastic bags and paper bags are not freezer safe.

h) Impacts on small businesses

The proposed ban on barrier bags will have a significant impact on small and independent fruit and vegetable grocers, convenience stores, cultural grocery stores, and local market stall operators. Small and micro businesses simply do not have the margins to absorb these increased costs. We do not believe customers will accept separate charge for barrier bags as they are perceived as an essential part of fruit and veg shopping. 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. Moreover, there are only a handful of suppliers offering bulk compostable options in Australia, meaning choices are limited and prices are less competitive.

i) Weights and scales

All retail and wholesale transactions are held to stringent trade measurement laws wherever price is determined by measurement, as regulated by the National Measurement Institute (NMI). Trade measurement inspectors are regularly deployed across Australia to ensure that sellers are following the correct process, with fines of up to \$222,000 per offence.

It is the retailers' responsibility to ensure that their scales are correct at all times. As such, retailers have tared weights to account for their plastic barrier bags at checkout. Changing barrier bags to another material is not a straightforward process as businesses will need to engage in mechanical work and servicing to adjust their scales to account for a different bag material. This would be a significant cost impost on small and large businesses.

j) Other time and resource impacts

Increased costs do not just apply to 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;
- inform customers before and during the change; and
- exhaust old stock sitting in the distribution chain and in stores.

k) Exclusion of meat and seafood barrier bags

The NRA notes that produce or barrier bags for meat and seafood are not captured in the proposed ban, and therefore commentary has not been provided in this submission. If these bags were to be considered for inclusion, we request further consultation as even higher health and safety impacts would be raised.

Alternative approaches

The NRA submits that, instead of banning recyclable products designed to protect food safety, the ACT Government should consider a range of alternative approaches, such as consumer education, investment in product research and design, rollout of composting infrastructure, and then bans on items which have low safety risk and wide ranges of alternatives.

If other items are to be banned, we suggest that single-use plastic plates and unenclosed bowls could be banned in 2022 with minimal impact on businesses and consumers.

- From 1 September 2021, the Queensland Government successfully banned single-use plastic plates and unenclosed bowls.
- From 1 July 2022, the Western Australian Government will ban single-use plastic plates and unenclosed bowls.
- From 1 November 2022, the New South Wales Government will ban single-use plastic plates and unenclosed bowls.

The NRA supports a ban on single-use plastic plates and bowls that follows the Queensland or New South Wales model. We note that bowls with lids or seals must be considered containers which are not banned as removing these presents high safety risk (such as hot bowls of soup or gravy), and that paper plates and bowls which have a thin layer of polymer to protect foodstuffs from ink must also be excluded, as no alternative exists globally.

Tranche 1 exemptions

Tranche 1 included time-limited exemptions for items with a lack of alternatives (including soup or laksa-style spoons and EPS gelato containers) and certain businesses (including mental health facilities and prisons).

We understand that the ACT Government is engaging with affected businesses to understand whether suitable alternatives have been developed and therefore whether the exemptions should be removed.

The NRA is aware of a soup spoon made from sugarcane bagasse that is now on the market, however this is only available through a limited number of suppliers. This is a positive step however an additional 6 months may be needed to ensure equitable access. We also recommend caution as toxin concerns relating to bagasse products have recently been raised by several health and environmental bodies (see [APCO 2021 PFAS in fibre-based packaging report](#)).

The NRA is not aware of any solution to EPS gelato containers that delivers the same qualities of cold food transport, however many retailers use other forms of plastic to sell tubs and containers of icecream or gelato. We are led to believe that gelato is more problematic due to its lower serving temperature and therefore difficulty keeping items cold during transport. The NRA recommends that the ACT Government consult with specialty retailers and suppliers to make a determination.

Timing

We are concerned about engagement, education and supply timeframes given the legislation has not yet been finalised or passed, and the ban is due to commence in less than 6 months.

Businesses, particularly manufacturers, need certainty in legislation before ordering alternatives and then usually need 12 months to source alternatives. The proposed ban dates will provide less than 6 months to prepare, provided awareness raising and business engagement activities are undertaken immediately. Industry is current facing unprecedented global shipping delays due to manufacturing disruptions, container and palette shortages, shipping delays, port congestion and international border restrictions.

Education and 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.

The NRA is well-placed to assist government with these consumer and business education campaigns, having delivered the engagement program in ACT, as well as programs in QLD, WA, VIC, NSW and SA on single-use plastic bans.

Summary

In summary, retailers strongly **support** bans on the following items:

- Single-use plastic straws, including biodegradable plastics
- Fragmentable additives
- Cotton buds with plastic sticks

We submit that a ban on single-use produce bags would be premature, and that alternative approaches, such as community education and infrastructure investment, as well as bans on other items, such as unenclosed bowls and plates, should be prioritised to minimize risk and impact.

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