



Australian Retailers Association

Phasing Out Light-weight Plastic Bags

ARA Submission

September 2006

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1. Scope of the Submission

- 1.1. This submission is provided by the Australian Retailers Association on behalf of its retail members. This submission is in response to the 'Phasing Out Light-weight Plastic Bags – Costs and Benefits of Alternative Approaches' (the 'report') by The Allen Consulting Group¹.
- 1.2. This submission will provide feedback on the report and will propose future directions for the management of light-weight plastic bags.

2 About the ARA

2.1 Background

- The Australian Retailers Association is an employer association. Established in June 1996, the ARA is registered as an organisation under the Workplace Relations Act 1996 and is the peak organisation for retail employers in Australia.
- The ARA represents the retail industry in Australia, which consists of more than 100,000 retail businesses, employing hundreds of thousands of Australians.
- The ARA's National and State members comprise a diversity of sizes and types of retailers, reflecting the profile of the retail industry, ranging from the large household names to one-person operators.
- However the ARA predominantly consists of small retail members, with some 90% of the ARA membership consisting of employers with less than 20 employees. The ARA is therefore also an advocate for small retail businesses as well as the retail industry generally.
- The ARA provides comprehensive services to its members in employment related areas providing industry level industrial relations advocacy, representation in award matters, assistance in employment policy development, representation in unfair dismissal and equal opportunity matters, assistance in agreement making, as well as providing occupational health and safety, WorkCover and privacy advice to members.
- These state offices and affiliates have a membership in excess of 12,000 members.

2.2 Our National and State Retail Members

- ARA's Associations comprise ARA Victoria, ARA New South Wales, ARA South Australia, ARA Tasmania, and Northern Territory Retailers are affiliated with the ARA.
- ARA members transact 75 percent of Australia's retail sales and employ three quarters of the nation's retail workforce.

¹ The Allen Consulting Group (2006), 'Phasing Out Light-Weight Plastic Bags: Costs and Benefits of Alternative Approaches', report is accessible at http://www.ephc.gov.au/pdf/Plastic_Bags/PlasticBags_ACG_LWPB_May06.pdf

- ARA members comprise a diversity of sizes and types of retailers reflecting the profile of the retail industry, ranging from the large household name retailers to one-person operators throughout the nation.
- 90 percent of ARA members employ less than 20 employees.
- The Australian retail industry is Australia's largest employer and retailing contributes almost 8 percent of Australia's Gross Domestic Product (GDP).

2.3 Governance

The ARA is governed by a National Council which is elected biannually by its membership. So as to ensure that the National Council is representative of the Association's diverse membership (and the diverse nature of the retail industry) its composition is of national and small retailers.

2.4 ARA's Mission

To be the pre-eminent nationwide organisation to provide leadership in solutions which improve the long-term viability, productivity and visibility of the retail industry; and proactively and effectively deals with government, media and regulators.

3. **Waste Management & Plastic Bags**

3.1 ARA Involvement

The past few years have seen a push towards a call for the eradication of plastic bags. The underlying target has been to reduce potential harm to marine wildlife and to reduce litter. The ARA has been involved in reducing the amount of plastic bags issued by retailers and increasing recycling rates.

Efforts to date have shown a significant reduction in the use of plastic bags.

3.2 Findings under the Report

The report outlined 3 possible options that were the most cost effective approaches, however it recognised that no approach was clearly superior. The report clearly shows that a ban on plastic bags will be a costly exercise that may outweigh the environmental benefits.

Of the 3 most cost effective options the ARA feels that the voluntary reduction approach is the most effective of the 3 approaches to plastic bag reduction. This is based on two important considerations; firstly an inactive situation will not contribute towards plastic bag reduction and as such is not a viable option. Secondly, imposing a charge on plastic bags may not achieve the desired outcome. While it has been suggested that placing a charge on plastic bags will reduce their consumption and increase their value, experience in Ireland has shown that this has not entirely been the case. It appears that in Ireland the plastic bag tax will be

increased due to the increased consumption of plastic bags. This approach will also not necessarily address the issue of litter.

4 Voluntary Reduction

- 4.1 The ARA supports a continued voluntary reduction of plastic bags within Australia. To date voluntary activities under the ARA Code of Practice have resulted in significant reductions in the issuing of plastic bags and increased recycling of plastic bags.
- 4.2 The ARA supports the proposition that larger retailers continue to follow the goals set by the ARA Code of Practice for the Management of Plastic Bags, and continue to increase targets as appropriate under action plans developed under the National Packaging Covenant.
- 4.3 Retailers should also maintain training and educational activities relating to plastic bag reduction.

5 Continuing Behavioural Change

- 5.1 To date plastic bag reduction efforts have been driven by the desire to reduce litter, however the report has shown that implementing an entire ban on plastic bags is a costly exercise that may outweigh the environmental benefits. The ARA believes reduction in plastic bags use should be addressed through the perspective of using appropriate packaging and reducing the use of unnecessary packaging.
- 5.2 It is difficult to ascertain the reduction of plastic bag use by Group II retailers, and it has also proven difficult to co-ordinate efforts of smaller Group II retailers. While the ARA and Clean Up Australia, among other bodies, have been involved in assisting Group II retailers such efforts have only been able to spread so far. This is in recognition that many industry bodies and environmental groups only have the ability to contact existing members or contacts.
- 5.3 Preliminary survey research by the ARA has shown that 54 percent of Group II retailers who responded will switch to paper bags if a ban is introduced. As was outlined in the report paper bags create a different form of environmental harm with green house gas emissions almost 5 times worse than those from light-weight plastic bags and almost 11 times worse in terms of the amount of phosphate. Should a plastic bag ban occur we may see an increased take up of paper bags that will result in an adverse and unwanted environmental outcome of increased greenhouse gas emissions.

34 percent of respondents to the ARA survey indicated they would switch to a reusable bag. While reusable bags are more beneficial in terms of green house gas emissions and phosphate, the experience of some retailers has shown that reusable bags are not the best alternative. Consumers do not bring these bags back, and as a consequence the retailer may be distributing these bags at the same rate as plastic bags. For many retailers reusable bags will not be a viable option due to the impulse nature of many purchases resulting in customers who do not actually reuse the bags.

These preliminary responses have confirmed the ARA's concern that placing a ban on plastic bags may result in retailers and consumers using replacement packaging that may be less beneficial for the environment.

- 5.4 Smaller retailers need to be addressed and further encouraged to enter a campaign for plastic bag reduction. The ARA proposed that a 'Bring Your Own Bag' campaign be introduced. Such a campaign will address the issue of reducing packaging while educating retailers and consumer on plastic bag reduction, as well as encouraging behavioural change.
- 5.5 This would be a sponsored campaign and would co-ordinate the efforts of schools, local businesses, all levels of government, and environmental and industry groups. Such co-ordinated efforts are required to ensure the highest possible uptake by retailers and consumers.
- 5.6 Consumers would be provided with incentives to shop through obtaining vouchers on each occasion a plastic bag is not taken. Such vouchers could contain environmental information about the reduction of packaging and could be used to win a prize for a school, or some other similar incentive. Retailers would then be encouraged to participate through the consumers' desire to shop at outlets providing vouchers.
- 5.7 This approach allows industry and consumers to fully understand and be educated in the motivations behind plastic bag reduction. It allows them to experience the potential ease of shopping without packaging. It also provides for the use of packaging where it is required, and encourages retailers to actively assess the need for any type of packaging in their businesses.
- 5.8 Following such a campaign retailers can voluntarily elect to completely remove the issuance of plastic bags in their businesses should that approach be appropriate. Such retailers would then be recognised as 'environmental retailers'.
- 5.9 The campaign should also address informing retailers and consumers on the different forms of bags that may be used should they be deemed necessary. This may include promotions of biodegradable bags should they be deemed appropriate and available.

6 Conclusion

- 6.1 The ARA recognises the potential harm that plastic bags can cause when littered, however based on the costs associated and the preliminary survey findings it does not support a ban on plastic bags.
- 6.2 The ARA supports the reduction of unnecessary packaging and reusing of necessary packaging and as such supports a voluntary approach that addresses behavioural change.
- 6.3 To date voluntary reduction programs have shown significant improvements and such an approach should be extended.
- 6.4 Voluntary reduction initiatives under the ARA Code of Practice, the National Packaging Covenant and a 'Bring Your Own Bag Campaign' have the potential to negate the use of replacement packaging that may not be appropriate and may be more harmful to the environment.
- 6.5 The ARA continues to support tougher anti-litter laws to tackle the problem of litter.

- 6.6 As representatives of both small and large retailers, the ARA will continue to work alongside other not-for-profit organisations such as Clean Up Australia, governments and industry bodies in assisting retailers in reducing, reusing and recycling plastic bags through behavioral change campaigns.

7 ARA Contacts

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