



Australian Retailers Association

Waste Management Productivity Commission Draft Report

ARA Submission

July 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 Draft Waste Management Productivity Commission Report.

1.2. This submission will focus on Draft Recommendation 8.1 of the report.

‘Governments and retailers should not proceed with their foreshadowed plan to eliminate plastic shopping bags by the end of 2008 unless it is supported by transparent cost-benefit analysis. The analysis should clarify the problems that the ban would seek to address, the response of the community to a ban, and whether or not alternatives – such as tougher anti-litter laws and means for encouraging greater community participation in controlling litter – would achieve better outcomes for the community.’ Draft Recommendation 8.1

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.
- 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 has 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.

- 3.1.1 In 2002, the Australian Retailers Association developed a voluntary code of practice for a national managed reduction and recycling of current single use lightweight HDPE plastic bags or "singlet" bags. The code was drawn up with the agreement of the Environment Protection and Heritage Council (EPHC), made up of Australian Government, State and Territory Environment Ministers.

Progress under the code showed a significant reduction in the distribution of plastic bags to consumers and an increase in recycling rates of plastic bags. Details of this can be found at www.ara.com.au.

- 3.1.2 The ARA has also been involved in the 'Say No to Plastic Bags' campaign and the 'We All Win Campaign' with Clean Up Australia. This included the design of a Plastic Bag Reduction Toolkit that

assists small retailers with plastic bag reduction. The Toolkit also aims to generate awareness of a possible phase out, detail resources available to other retailers and profile some of the non-supermarket retailers who have already joined the 'Say NO to Plastic Bags' campaign and their successes. The toolkit included a website, free materials and telephone advisory service.

3.2 Extent of the Plastic Bag Problem

Any regulatory ban on plastic bags needs to take into account the extent of the problem and any potential benefits. As outlined by the Productivity Commission;

- 3.2.1 There are two potential benefits of a ban of plastic bags; to reduce potential harm to marine wildlife and to reduce litter.
- 3.2.2 Plastic bags account for 2 percent of litter.
- 3.2.3 Less than 1% of plastic bags become litter and even less would find their way into the litter stream.
- 3.2.4 Plastic bags represent only a small portion of waste going to landfill.
- 3.2.5 Plastic bags may assist in managing the environmental impacts of landfill.
- 3.2.6 Plastic bags are commonly reused for carrying other products and as bin liners.

3.3 Supporting a ban

- 3.3.1 The ARA supports policies that benefit the environment provided such policies provide a sustainable and achievable environmental outcome.
- 3.3.2 The ARA recognises and supports that industry has an obligation to protect the environment.
- 3.3.3 The ARA also supports a reduction in unnecessary packaging more broadly.
- 3.3.4 The ARA recognises the potential problems caused by plastic bags that end up in the litter stream.
- 3.3.5 The ARA is concerned a regulatory ban on plastic bags may not meet the desired environmental targets outlined in 3.2.1

4 The Future of Plastic Bags

The ARA presently sees two key options for plastic bags;

4.1 Regulatory Ban on Plastic Bags

Should a regulatory ban on plastic bags be endorsed a key issue of replacement packaging needs to be addressed.

- 4.1.1 Many retailers and consumers will still require some form of 'replacement' packaging to carry goods.
- 4.1.2 Replacement packaging may be less cost and space efficient and as such will more than likely impose additional costs on to retailers and consumers.
- 4.1.3 Replacement packaging may also be more harmful to the environment if littered or sent to landfill.
- 4.1.4 Replacement packaging may not contain recyleable content or may use more resources in production or recycling.
- 4.1.5 Replacement packaging may not have beneficial 'reuse' properties such as for bin liners.
- 4.1.6 To date no suitable alternative has been endorsed.
- 4.1.7 Banning plastic bags may not achieve the environmental targets outlined in 3.2.1

4.2 Continued Voluntary Reduction

To date voluntary reduction and consumer awareness programs have been significantly successful in reducing plastic bag distribution and increasing recycling. A continued voluntary reduction would require;

- 4.2.1 Continued educational campaigns targeting retailers and consumers. Such campaigns should continue to promote the reduction / removal of unnecessary packagaing and the reusing or recycling of necessary packaging.
- 4.2.2 An educational campaign needs to target all retailers and consumers including those of non-english speaking backgrounds.
- 4.2.3 An educational campaign needs government direction on supported alternatives that can replace plastic bags where necessary or appropriate. The environmental impact of any replacement must not exceed that of plastic bags.
- 4.2.4 Tougher anti-litter laws or harsher fines need to be imposed. Including implementing measures to ensure public bins are regularly emptied to avoid overflow of waste resulting in litter.

5 Plastic Bag Phase-Out: Is This the Solution?

- 5.1 The Productivity Commission recommended that any regulatory ban on plastic bags should not occur unless the benefits outweigh the costs, and that a greater net benefit cannot be achieved through policies that directly target plastic shopping bags that become litter. Several key issues need to be addressed prior to any regulatory ban being enforced;
 - Options for replacing plastic bags and their environmental impact
 - Potential reuse for alternatives to plastic bags
 - The feasibility of biodegradable bags
 - Cost associated with enforcing a regulatory ban

- Consumer and retail industry costs associated with transitioning from plastic bags
- Education programs to change consumer behavior
- Costs of enforcing tougher anti-litter laws

- 5.1 A regulatory ban must reach the target of reducing litter and potential harm to marine wildlife.
- 5.2 The issues outlined in 4.1 need to be addressed to ensure that the phase out of plastic bags is the solution to our litter problem and that it does not cause adverse environmental outcomes.

6 Conclusion

- 6.1 The ARA recognises the potential harm that plastic bags can cause when littered.
- 6.2 The ARA supports the reduction of unnecessary packaging and reusing of necessary packaging.
- 6.3 The ARA does not feel the retail industry or consumers are sufficiently prepared for a regulatory ban on plastic bags; the ARA seeks recognition that plastic bag alternatives will be required by some retailers and consumers, and environmentally sound alternatives need to be endorsed.
- 6.4 More attention needs to be focused on whether plastic bag reduction will reduce packaging in the litter stream, and that alternatives are sustainable and no less harmful if they were to be littered.
- 6.5 The ARA supports the Productivity Commission in suggesting tougher anti-litter laws to tackle the problem of litter.
- 6.6 The ARA supports the Productivity Commission in its call for cost benefit analysis prior to any regulatory ban being enforced.
- 6.7 As representatives of both small and large businesses, the ARA will continue to work alongside other not-for-profit organisations such as Clean Up Australia in assisting retailers in reducing, reusing and recycling plastic bags through behavioral change campaigns.

7 ARA Contacts

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