



Submissions from:

THE NATIONAL RETAIL ASSOCIATION

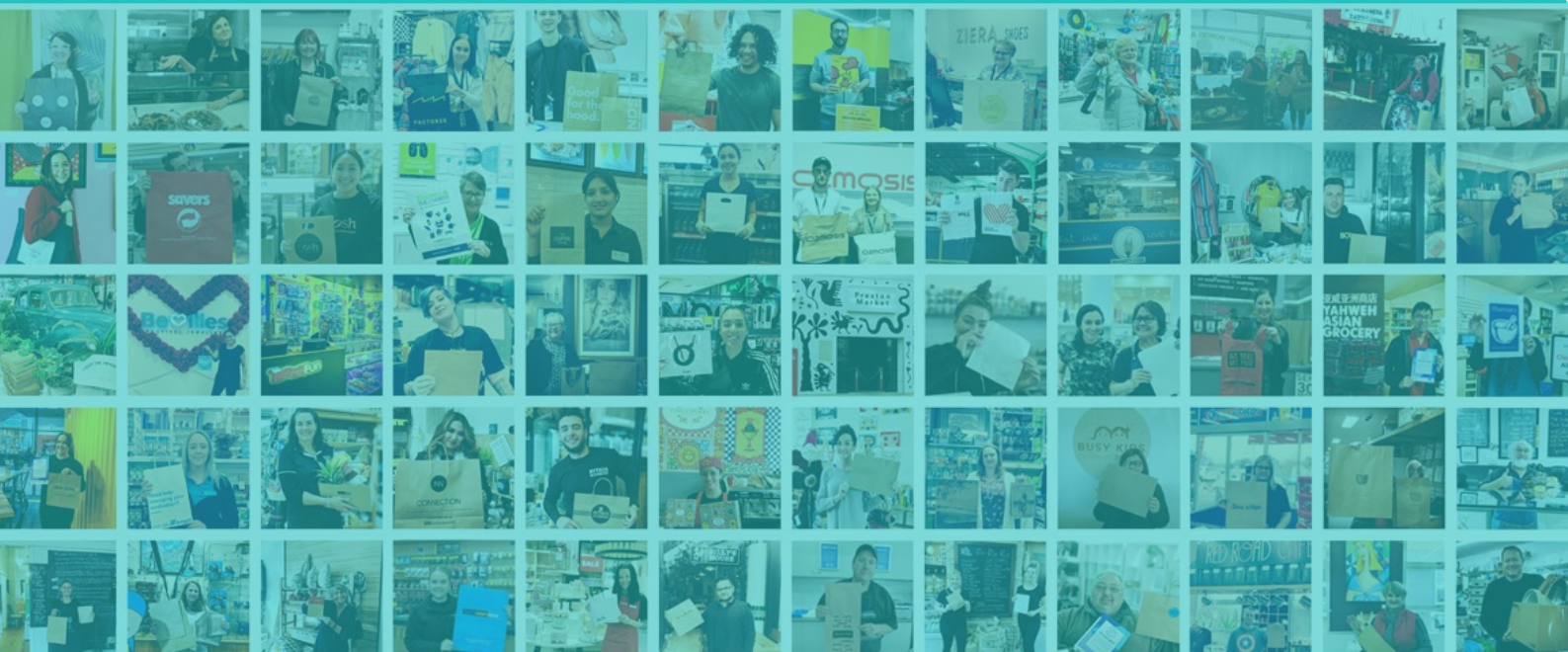
- Representing over 28,000 retailers across Australia -

In response to:

QUEENSLAND GOVERNMENT REGULATION IMPACT STATEMENT

'Single-Use Plastic Items'

Submitted 30 April 2020



1. ABOUT THE NATIONAL RETAIL ASSOCIATION

Currently, the Australian retail sector accounts for 4.1 percent of GDP and 10.7 percent of employment, which makes retail the second largest employer in Australia and largest employer of young people.

The National Retail Association (NRA) is Australia's largest and most representative retail industry organisation. We are a not-for-profit organisation which represents **over 28,000 outlets** from every category of retail including fashion, groceries, department stores, household goods, hardware, fast food, cafes and services.

We exist to help retail and service sector businesses comply with an ever changing and growing regulatory environment. Our services are delivered by highly trained and well-qualified in-house experts with industry specific knowledge and experience. We provide professional services and critical information right across the retail industry, including the majority of national retail chains and thousands of small businesses, independent retailers, franchisees and other service sector employers.

1.1. Specialist expertise

The NRA Policy Team helps retail businesses succeed and grow within an ever-changing regulatory environment. We work with a wide range of industry stakeholders – retailers, government, law enforcement, regulatory bodies, shopping centres, community groups, supporting associations and many more – to develop industry-wide policy platforms or positions on issues affecting the Australian retail sector. We bring the interests and concerns of retailers to the table to ensure that regulation is realistic, cost-effective and manageable across all retail businesses.

We work proactively at international, federal, state and local government levels to ensure the interests and needs of the Australian retail and services sectors are protected and promoted. Rather than running from inevitable regulatory change, we provide a bridge between retailers and government – facilitating the exchange of ideas and information, which ultimately leads to more informed, commercially-aware outcomes for all parties.

Plastic bag ban engagement

The NRA has been directly engaged by the Queensland, Western Australian and Victorian state governments to manage the engagement and education of retailers in regard to each state's bag ban legislation. To facilitate this, the NRA developed and implemented a Retailer Transition Program tailored to each state, including:

- developing dedicated online portals of information for retailers;
- developing custom resources and signage for retailers to display in their stores to help inform staff and customers;
- delivering hundreds of workshops and tours in shopping precincts resulting in engagement with over 70,000 retail businesses thus far;
- delivering a dedicated Bag Ban Hotline for retailer queries; and
- developing and implementing media strategies to increase awareness and education.

We were also engaged by both Queensland and Western Australian governments to develop and deploy state-wide customer education and awareness campaigns supporting the introduction of each state's bag ban. These two campaigns reached over 5 million Australians and contributed to significant consumer behaviour change.

The National Retail Association continues to deliver complaint handling and auditing programs across Australia to ensure retailers comply with the relevant legislation.

National Retail Association Sustainability Committee

The National Retail Association Sustainability Committee was launched in early 2019, consists of experts from across the retail industry, government and associated agencies, and aims to continue the positive momentum of sustainability initiatives in retail.

We consider the impact of retail activities upon sustainability, the community and environment and investigate the effectiveness of policy and industry mechanisms to create sustainable change. We believe that all issues have individual causes and effects, with different commercially viable and environmentally sustainable outcomes. For this reason, it is vital to collaborate with all stakeholders to create long-lasting outcomes.

2. INTRODUCTION

The National Retail Association (NRA) welcomes the opportunity to make submissions to the QLD Government regarding the *'Single-Use Plastic Items'* Consultation Regulatory Impact Statement (RIS).

The NRA acknowledges the impact of plastic on the environment, particularly when disposed of incorrectly as litter, and supports the aim of reducing the impact of litter on our natural environment. The NRA is convinced by research which indicates that plastic litter affects marine life through ingestion and entanglement, and contaminates waste treatment facilities.

While we support the need to address the impact of plastic on our environment, we submit that initiatives must be carefully-considered, trialed and assessed in order to create effective, viable and long-lasting improvements.

Though much research has been done on the impact of plastic litter when it enters our environment, the NRA has concerns that 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.

As raised in the RIS, 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.

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. The NRA submits that retailers are concerned about the impact of plastic litter on the environment, are already taking steps to improve sustainability practices, have complied with regulatory interventions to date, and need time and support to continue innovating while meeting consumer demands.

3. SUBMISSIONS

3.1. Question responses

1. Do you support the proposed ban on single-use plastic straws, stirrers, plates and cutlery?

The NRA supports the Government's review of single use plastic and is also supportive of the aim of reducing the impact of litter on our natural environment.

In summary, the National Retail Association supports the following proposals outlined in the RIS, with specific caveats:

- ✓ a ban on single-use plastic straws, stirrers, plates and cutlery;
- ✓ a start date of 12 to 18 months after the legislation is passed;
- ✓ exemptions for single-use plastic items attached or included in pre-packaged goods;
- ✓ exemptions for certified compostable cutlery;
- ✓ exemptions for people with a disability or healthcare needs;
- ✓ education and engagement campaigns in conjunction with the ban;
- ✓ regulatory implications for suppliers not just retailers;
- ✓ additional waste collection services; and
- ✓ increased scrutiny and investment in waste and recycling infrastructure.

We do emphasize that consideration may need to be given to retailers to exhaust existing stockpiles (purchased prior to legislation being passed) for a further 6 to 12 months, particularly due to impacts of COVID-19 restrictions.

The NRA supports additional bans to be implemented by 1 July 2021 or 12 to 18 months after legislation is passed:

- ✓ a ban on expanded polystyrene cups, bowls, plates and clam-shells, except for pre-packaged goods;
- ✓ a ban on all products made from oxo-degradable plastics; and
- ✓ a ban on single-use plastic balloon sticks and outdoor balloon releases.

Expanded polystyrene and oxo-degradable plastics are due to be banned as part of other state's legislation this year and we urge all state and territory governments to harmonise initiatives to provide certainty and economies of scale for retail.

We also support banning single-use plastic balloon sticks as alternatives are available, and a ban on outdoor balloon releases if this is practicable, however we strongly oppose any ban on balloons.

While we support ongoing research and innovation on other plastic items, such as bowls, cups and containers, regulatory bans are not feasible at this point in time, largely due to the lack of viable, tested and safe alternatives that meet consumer needs and behaviour.

We also reiterate the need for national consistency of legislation across jurisdictions as many impacted businesses have national supply chains and are networks of 'mum and dad' franchisees. It is almost impossible for these businesses to apply different packaging or products in each jurisdiction. Differences between jurisdictions will result in disruption to the national supply chain, substantially increased costs and higher financial impacts on franchisees and stores.

Please see Section 4 for our proposed roadmap and detailed recommendations.

2. Do you think a 1 July 2021 start date provides sufficient time for individuals and businesses to prepare for a proposed ban?

Based on feedback from our members, we submit that the proposed bans on single-use plastic straws, stirrers, plates and cutlery, as well as our proposed bans on expanded polystyrene and oxo-degradable plastics, are feasible 12 to 18 months after legislation is passed, if concessions for exhausting existing stock are permitted.

We submit that the proposed bans should not be implemented prior to July 2021. If adequate time is not allowed to redesign, renegotiate, purchase, distribute and implement stock changes, industry will be forced to send large quantities of stock to landfill and compensation would need to be considered.

Consideration should be given to the fact that many businesses have been forced to close their stores to takeaway only options and some have closed completely during the COVID-19 pandemic. The impacts of the COVID-19 pandemic on this initiative may include: stockpiles of supplies that would have usually been exhausted quicker; international and domestic supply chain delays; potential hesitation of customers and retailers to reinstate reusable or communal utensils; and uncertainty of when retail restrictions will be lifted.

Though these impacts are significant, we believe public and government support of the proposed bans has not waned and that, within reason, retailers have the opportunity to respond proactively to improve business processes and minimize cost impacts.

As businesses emerge from hibernation there is a timely opportunity to educate and prepare retailers to rethink procurement policies, ensuring that when they reorder supplies they shift to alternatives and reduce stockpiles in the lead-up to ban implementation. There is also an opportunity for food businesses to reduce overhead costs by reassessing if many of their customers consume their products at home and whether providing free utensils as the norm is really needed.

A critical requirement of meeting a July 2021 implementation date will be extensive consumer education as soon as possible to ensure consumers are prepared for the change and backlash on businesses is avoided.

If legislation is passed and COVID-19 restrictions are lifted by mid-2020, we are confident that retailers will be able to purchase and deploy alternatives by 1 July 2021. We do emphasize that consideration may need to be given to retailers to exhaust existing stockpiles (purchased prior to legislation being passed) for a further 6 to 12 months, particularly due to impacts of COVID-19 restrictions.

3. Do you support the proposal to provide exemptions for single-use plastic items that are part of a shelf-ready packaged product?

Yes, should any bans be implemented by 1 July 2021, it must exclude shelf-ready packaged products.

Retailers and manufacturers are working on potential solutions and innovations however this will take a much longer phase-out period due to a) lack of viable alternatives, b) complexity of changing product design with international suppliers, and c) lead times of design and supply chains.

For example, research is currently being undertaken to find a solution to straws attached to juice boxes but currently have not found a solution which reduces plastic use without increasing it elsewhere, is hygienic, able to puncture the juice box effectively, able to withstand time of consumption, and is safe for children to use.

It is important to note that many prepackaged goods are manufactured beyond Queensland and beyond Australia, and therefore involve extensive supply chains and lead times in production. Industry is working towards solutions with manufacturers and suppliers, though this will take time, innovation and investment to resolve.

3a. Support for other exemptions

i. Certified compostable cutlery

The NRA submits that though there are satisfactory alternatives to straws, plates and stirrers, there are limited cutlery alternatives that are truly fit for purpose. We also submit that single-use plastic cutlery is not a major contributor to the litter stream, unlike straws.

Therefore, we submit that certified compostable cutlery such as those made of polylactic acid must be exempt from the proposed ban.

Retailers have received a significant volume of customer complaints about bamboo and wood cutlery regarding many issues including: rough almost splintered texture on the lips and tongue, knives that struggle to cut meat, prongs on forks being too wide and shallow spoons.

Some businesses, shopping centres, airlines and law enforcement agencies have also raised concerns regarding weaponisation of wooden or bamboo cutlery. Given data shows increased crime and abuse experienced by retail staff, these are serious concerns to consider.

Some retail precincts, dine-in businesses and events are trialing reusable metal cutlery and cleaning stations (front or back of house) with mixed results. Reusable cutlery presents challenges ranging from space and resources for high temperature cleaning in confined spaces, hygiene concerns of communal cutlery stations, potential weaponisation, theft of utensils, and the lack of customers bringing their own cutlery.

Compostable cutlery alternatives are featured in APCO's Food Services Packaging Sustainability Guidelines published late 2019. There are also multiple projects underway, such as APCO's Compostable Packaging project and Boomerang Alliance's Plastic Free Places program.

Many manufacturers and retailers have already invested in compostable plastic alternatives based on such projects. For example, many packaging suppliers have recently introduced items made from or containing PLA (polylactic acid) which is a "bioplastic" made commonly from sugarcane. It is certified compostable, meets functional requirements of holding liquid and heat, and enables transparency, unlike most paper and bamboo products. We note that compostable products made from PLA are featured on Boomerang Alliance Plastic Free SA website (<https://www.plasticfreesa.org>).

We understand that commercial composting collection is still limited in Australia, though we hope for significant infrastructure growth given proposed federal and state waste investment. As food serviceware will always face hygiene issues with reusability and recycling issues of contamination, we believe composting presents a promising option based on current knowledge.

At this point in time, certified compostable cutlery such as those made of polylactic acid (PLA) presents the only viable and safe alternative for many businesses. If this exemption is not granted, retailers will need a much longer period to research and innovate alternatives.

Importantly, we submit that, while certified compostable cutlery should be exempt from the ban, we believe that satisfactory alternatives currently exist for straws, plates and stirrers and therefore no exemption for compostable plastics should be applied to these items.

4. What types of exemptions may be needed to support people with disability or healthcare needs?

We submit that allowances should be made for persons with a disability or healthcare needs to access straws or other utensils should they be needed.

We encourage solutions such as encouraging those needing a straw to bring their own or providing items through pharmacies, as it will be difficult for some retailers to:

- a) maintain dual stocks of plastic and non-plastic supplies (especially small businesses); and
- b) judge whether someone 'needs' a straw, or just 'wants' a straw.

It is inappropriate for retail staff to enquire about a person's disability or healthcare needs, therefore businesses which provide a straw upon a customer's request will need to be absolved of wrongdoing. We note that this could be abused by some customers, which could be problematic for consumer behavior change and enforcement of the ban (ie. free-rider scenario).

5. What are the main positive and negative impacts of the identified options and in particular of introducing a ban on the supply of certain single-use plastics, starting with straws, stirrers, plates and cutlery?

The NRA acknowledges the impact of plastic on the environment, particularly when disposed of incorrectly as litter, and supports the aim of reducing the impact of litter on our natural environment.

While we support the need to address the impact of plastic on our environment, we submit that initiatives must be carefully-considered, trialed and assessed in order to create effective, viable and long-lasting improvements.

We submit the following key considerations for proposed and future legislation.

a) Timing

If legislation is passed and COVID-19 restrictions are lifted by mid-2020, our members are confident they will be able to purchase and deploy alternatives by 1 July 2021. We do emphasize that consideration may need to be given to retailers to exhaust existing stockpiles (purchased prior to legislation being passed) for a further 6 to 12 months, particularly due to impacts of COVID-19 restrictions.

b) National consistency

We encourage the QLD Government to ensure legislation aligns with nationally-recognised criteria and programs underway. For example, the Australian Packaging Covenant Organisation (APCO) has been tasked by the Australian Government to achieve the National Packaging Targets with the overarching objective of ensuring all packaging is reusable, recyclable or compostable by 2025. Many Australian retailers and manufacturers have become signatories and are actively working to identify, assess and redesign their packaging and other plastic items in line with this criterion.

We also emphasize the need for consistent, nationally-accepted definitions. It benefits all stakeholders when we share a common definition on 'single-use' plastic, however this is difficult to ascertain. For example:

- if a plastic item is made from recycled content, should it still be classed as single-use?
- if a plastic item is recyclable, should it still be classed as single-use?
- if a plastic item is reusable for many times if people choose to wash it, is it single-use?
- how do we define the threshold between single-use and reusable plastic, for example children's plastic 'learner' cutlery or plastic cutlery in a picnic/camping set?

The NRA emphasizes the need for national consistency and clear guidance, particularly in regards to definitions, timing and alternative products. Industry needs clear criteria to be able to determine which products are banned and which are recommended.

We also reiterate the need for national consistency of legislation across jurisdictions as many impacted businesses have national supply chains and are networks of 'mum and dad' franchisees. It is almost impossible for these businesses to apply different packaging or products in each jurisdiction. Differences between jurisdictions will result in disruption to the national supply chain, substantially increased costs and higher financial impacts on franchisees and stores.

c) Consumers still demand disposable options

Modern consumers are now somewhat more spontaneous than they were in the past, doing their shopping in conjunction with social activities or on their way to or home from school runs, university or the gym. This means that they are not always prepared and do not always come with their own reusable items. This calls for more discussion around how retailers can provide inexpensive, environmentally sustainable alternatives, supported by infrastructure that allows customers to conveniently feed their disposed items back into the circular economy.

While consumer concern for the environment is increasing, there remains high demand for inexpensive and convenient options at point of sale. Retailers also report that when it comes to paying for more sustainable options, many consumers still fail to perceive value in more sustainable products, such as recycled copy paper and recycled toilet paper which continue to suffer poor sales.

We believe the majority of Queenslanders will still desire a disposable option for straws, stirrers, plates and cutlery at this point in time. Many retailers have introduced, and will continue to promote reusable alternatives, however consumer take-up and use of these items is currently low. While approximately 30% of consumers were bringing their own shopping bag before the state-wide bag ban, businesses report that currently less than 5% of customers bring their own cups and less than 2% bring their own straws, stirrers, plates or cutlery. Therefore, retailers are placed under high demand from customers to provide disposable options.

d) Industry impact is significant

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.

To comply with the bans, thousands of stores and franchises will need to:

- 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);
- reformulate pricing and deploy changes across menu boards, website 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.

The processes implied in any change are significant and they need clarity and confidence to ensure their substantial investment is supported for the long-term. Businesses will also need extensive engagement and support throughout the transition.

e) Impact on household budgets

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 or containers as they are perceived as an essential part of 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.

f) Limited range of alternatives

Unlike alternatives to lightweight plastic bags, there is a very limited range of disposable alternatives to straws, stirrers, plates and cutlery. To our knowledge, these are the only alternatives available:

	Disposable alternatives to plastic currently available
Straws	Paper, PLA-lined paper, PLA, bamboo
Stirrers	Wood, bamboo
Plates	Paper, PLA-lined paper, PLA, wood, bamboo, PLA-lined bagasse
Cutlery	Wood, bamboo, PLA

**PLA: polylactic acid (bioplastic)*

Should PLA alternatives not be exempt, the options for some items, such as cutlery, are extremely limited.

g) Ensuring environmental benefit

A key issue is lack of international and national consensus on which alternatives will avoid unintended impacts on the environment, human health, public safety, utility and the community. For example, the Waste Hierarchy model suggests that Reusability is preferable to Recyclability, however a plastic takeaway food container is more reusable than a paper container which is recyclable. There are multiple stakeholders such as local councils, governments, suppliers and environment groups providing contradictory or uninformed advice on sustainable alternatives, resulting in confusion for consumers and business.

Industry is highly supportive of sustainable initiatives but needs evidence-based information and consensus on viable and safe alternatives to turn good intentions into reality. For example, recent media coverage suggested formaldehyde in bamboo products, other studies note the methane impacts of bamboo in landfill, while others cite paper and wood products having a much greater greenhouse impact than plastic.

Therefore, the NRA highlights the need for appropriate lead times, certainty in government recommendations on alternatives, and longevity in these recommendations and legislation.

h) Supplier accountability

The NRA wishes to emphasize the importance of ensuring retail businesses have reliable access to accurate information to make informed, compliant decisions, and therefore emphasize the need for accountability across the supply chain network.

Prior to the bag ban deadline, the NRA witnessed significant ‘greenwashing’ and misleading information provided to retailers by suppliers of plastic shopping bags, and also witnessed many cases of retailers being encouraged, without disclosure by suppliers, to purchase large volumes of stock that would soon be banned.

We submit that any legislation should include strong measures to ensure businesses which supply single-use plastic items to retailers are held accountable for providing accurate and timely information about products which are banned or scheduled for bans. For example, suppliers should be required to inform all clients from the date the legislation is passed, not the date it comes into effect.

i) Contingencies for emergencies

Recent emergencies such as the COVID-19 pandemic and widespread bushfires have highlighted the critical need for essential goods, fast response mechanisms and contingencies for particular goods and processes. For example, during the COVID-19 pandemic, food and grocery retailers have been forced to take unforeseen measures, such as:

- Pivoting their business model to only offer takeaway or ‘no-contact’ service
- Removing communal straw, cutlery and condiment stations
- Increasing supply of single-use serviceware based on customer demand
- Being unable to use customer’s reusable cups due to staff health and social distancing concerns
- Asking customers to pack their own goods in reusable bags
- Deploying security guards to reduce unruly or panicked behaviour

Some businesses had to close their businesses suddenly and may have stockpiles of supplies which they would have normally exhausted during this time. Other retailers are faced with stockpiles of party, picnic and entertainment supplies given these activities have been essentially banned. Transport and supply networks have been disrupted with border closures and international impacts of the pandemic. Some packaging suppliers have also pivoted their business to produce medical masks and supplies.

We submit that consideration should be given to proposed and future legislation which enables rules to be relaxed if needed during times of declared emergencies.

j) Waste and recycling infrastructure

In line with the *National Waste Policy Action Plan* and Queensland’s *Plastic Pollution Plan*, the NRA believes that government needs to consider substantial investment in improving Australia’s circular economy innovation and infrastructure. Currently, waste management and recycling systems vary in each local government area, with many residents, particularly those in remote areas, lacking access to sophisticated recycling facilities. This lack of consistency makes it extremely difficult for businesses to design and invest in recyclable alternatives as ‘recyclability’ is an inconsistent construct.

The NRA submits that the Australian recycling system and market for recycled and recyclable goods is limited and immature compared to overseas counterparts like the EU, and government investment into innovation and infrastructure in the waste and recycling sectors is urgently needed to develop a circular economy in Australia.

6. Do you think more voluntary action such as educational campaigns that increase awareness of the impacts of single-use plastics in the environment will assist?

Yes, more educational and awareness campaigns are needed. Retailers report that while consumers have a basic understanding of environmental impacts of plastic litter, many lack detailed understanding, forget to bring their own alternatives and refuse to accept increased costs of alternatives offered.

While we expect that there will be many favourable responses to the RIS, we strongly submit that indication of support is not a reliable indicator of actual behavior. Unfortunately, conscientious consumers who bring their own utensils are a small minority. While approximately 30% of consumers were bringing their own shopping bag before the state-wide bag ban, businesses report that less than 2% of customers currently bring their own straws, stirrers, plates or cutlery.

We submit that extensive consumer awareness and behavior change campaigns will be needed prior to ban implementation as the majority of Queenslanders are not aware or prepared for the practical implications. Consumers will need to be thoroughly aware that the bans are not optional for businesses so that businesses are not faced with undue pressure from customers to supply banned items or loss of business through dissatisfied customers.

In addition to consumer education, extensive business engagement and education will need to be undertaken as soon as possible to ensure businesses have clear advice about what will be banned, alternatives available, negotiating supplies, training their teams and informing their customers. Importantly, retailers and suppliers need at least 12 months' notice in order to alter supply chains and some retailers may need a further 6 to 12 months to exhaust existing stock, particularly after the COVID-19 pandemic forced business closures.

Effective engagement programs, and adequate time to implement them, will be critical to the success of the legislation and minimisation of negative impacts on industry and customers. In particular, thousands of retail business owners and their staff are at the coal-front of any legislation impacting customers and must be provided comprehensive support.

7. Are you already avoiding and/or using more sustainable alternatives to single-use plastic straws, cutlery, plates and/or stirrers?

8. Are you already taking steps to reduce your plastic waste?

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 and back-of-house recycling.

The NRA submits that retailers are concerned about the impact of plastic litter on the environment, are already taking steps to improve sustainability practices, have complied with regulatory interventions to date, and need time and support to continue innovating while meeting consumer demands.

9. Do you think other single-use plastic products should be banned?

a) Expanded polystyrene and oxo-degradable plastics

The NRA supports additional bans to come into effect by 1 July 2021, or 12 to 18 months after legislation is passed:

- ✓ a ban on expanded polystyrene cups, bowls, plates and clam-shells, except for pre-packaged goods;
- ✓ a ban on all products made from oxo-degradable plastics; and
- ✓ a ban on single-use plastic balloon sticks and outdoor balloon releases.

These materials are due to be banned as part of other state's legislation this year and we urge all state and territory governments to harmonise initiatives to provide certainty and economies of scale for retail.

b) Heavyweight plastic shopping bags

Given recent success of the QLD bag ban, some retailers are now researching alternatives to thicker plastic shopping bags.

As outlined in the RIS, the NRA are currently developing and gaining support for a National Voluntary Industry Code of Practice for Sustainable Shopping Bags in conjunction with state governments across Australia, APCO and the Meeting of Environment Ministers.

This Code is designed to provide clearer pathways and incentives for retailers to move towards more sustainable options by the end of 2022. Businesses need time to research, innovate and test changes and the Code would offer necessary incentives.

We ask that the QLD Government continue to support the Code and allow time to benefit from this collaborative strategy. We understand that legislative action may be taken should the Code fail to reach targeted level of commitment.

c) Other items

While we support ongoing research and innovation on other plastic items, such as bowls, cups and containers, regulatory bans are not feasible at this point in time, largely due to the lack of viable, tested and safe alternatives that meet consumer needs and behaviour.

Please see following section for our recommendations regarding the phase-out of other items.

4. RECOMMENDED ACTIONS

While the NRA strongly agrees that plastic poses serious threats to our environment when improperly disposed, we submit that each type of item needs to be carefully considered as there is no single umbrella solution.

The NRA urges decision makers to ensure that any action taken is practical, consistent, well researched and carefully considered in order to create real, long-lasting change. In some cases, we must also allow time for innovation, understanding and practicality to catch up to our good intentions.

The NRA submits the following recommended actions, identifying where current actions or initiatives underway are sufficient, then focusing on low complexity items for immediate action, to high complexity (or high risk) items such as plastics which contain or preserve food, to which there are no viable, safe alternatives yet.

Timing	Item	Supported actions
Current	Plastic beverage containers	Container Deposit Scheme (in effect). Ongoing community education
	Lightweight plastic bags	Ban in effect, maintain
	Plastic packaging	Voluntary Code of Practice via Australian Packaging Covenant (underway). Ongoing community education
	Microbeads	Voluntary approaches with industry. State-wide ban
Short-term	Single-use plastic stirrers	Ban to be implemented 1 July 2021.
	Single-use plastic straws	Ban to be implemented 1 July 2021. Exemption for attached or included straws in shelf-ready prepackaged goods.
	Single-use plastic cutlery	Ban to be implemented 1 July 2021. Exemption for attached or included cutlery in shelf-ready prepackaged goods. Exemption for certified compostable cutlery.
	Single-use plastic plates	Ban to be implemented 1 July 2021.
	Expanded polystyrene cups, bowls, plates and clam-shells	Ban to be implemented 1 July 2021. Exemption for shelf-ready prepackaged goods.
	Oxo-degradable plastics	Ban to be implemented 1 July 2021.
	Plastic balloon sticks	Ban to be implemented 1 July 2021.
	Outdoor balloon releases	
Medium-term	Thicker plastic bags	Voluntary Code of Practice (under development). Targets to be met by 31 Dec 2022.
Longer-term	Single-use plastic bowls (& plastic-lined bowls)	Further innovation needed if bioplastics are not allowed. Further consideration of life-cycle impacts and optimal pathways to reduce landfill. Investment in waste/recycling infrastructure.
	Single-use plastic cups (& plastic-lined cups) including coffee cups	
	Single-use plastic takeaway containers	
	Lids to all of the above	
	Sauce sachets	
	Sandwich wedge windows (and similar films)	

4.1. Current actions sufficient

The NRA submits that actions that are already underway are producing positive results and both retailers and consumers need time to fully adapt to these changes.

Item	Recommended actions	Comments
Plastic beverage containers	<p>Container Deposit Scheme (in effect)</p> <p>Ongoing community education</p>	<p>The NRA supports the QLD CDS scheme introduced in November 2018 and welcomes news that the scheme is already diverting millions of beverage containers from the environment and landfill.</p> <p>Given the QLD CDS was only introduced 18 months ago, the NRA urges decision makers to allow manufacturers, retailers and consumers time to adjust and to avoid any unnecessary regulatory intervention (and mixed messaging) until the scheme is firmly established. We also encourage initiatives to improve national harmonisation.</p>
Lightweight plastic bags	Ban in effect, maintain	<p>Since the introduction of the QLD bag ban, voluntary action by major retailers and subsequent WA and VIC bans, approximately 8 billion lightweight plastic shopping bags have been prevented from consumption and litter in Australia.</p> <p>Of note, several major retailers have gone beyond ban requirements, introducing heavyweight reusable bags made from 80% recycled content with bag charges. These retailers report a drop of 80% in total bag consumption (including compliant bags).</p> <p>If any changes are considered, we would support amendments to a nationally-consistent definition of a banned bag being 35 microns or less in thickness at any part of the bag.</p>
Plastic packaging	<p>Voluntary Code of Practice via Australian Packaging Covenant (underway)</p> <p>Ongoing community education</p>	<p>Some plastic packaging preserves the life of goods from point of sale to home, minimising breakages and reducing the amount of damaged goods ending up in landfill. However, the retail industry shares the government's concern and are already taking action to reduce or replace any excessive packaging.</p> <p>The Australian Government has tasked the Australian Packaging Covenant Organisation (APCO) with implementing industry codes to deliver on the target of making 100% of Australian packaging recyclable, compostable or reusable by 2025 or earlier. The NRA submits that action is underway and should be given time to deliver. We do not support mandating such targets prematurely or on a state level.</p>
Microbeads	<p>Voluntary approaches with industry</p> <p>State-wide ban</p>	<p>Microbeads are a great example of the success story of voluntary reduction strategies with many manufacturers having already removed microbeads from their products.</p> <p>Microbeads are also an example of non-essential plastics which can be replaced through more sustainable product design. The current level of global support for the eradication of microbeads plus the incentive for companies not to risk consumer disapproval for microbeads may result in eradication of microbeads entirely.</p> <p>However, if voluntary actions do not resolve the issue within the next few years, a state-wide or national ban may be worth considering.</p>

4.2. Short-term recommended actions (2020-2021)

We submit that **immediate action** should be taken on initiatives in which environmental impact is immediate, proven alternatives are available and affordable, and potential risk and impact on public safety and retailers is low.

As such we support regulatory bans on the following items to come into effect on 1 July 2021:

- ✓ single-use plastic stirrers
- ✓ single-use plastic straws, excluding attached or included straws in prepackaged goods
- ✓ single-use plastic cutlery, excluding attached or included straws in prepackaged goods and allowing exemptions for certified compostable plastic cutlery
- ✓ single-use plastic plates
- ✓ expanded polystyrene cups, bowls, plates and clam-shells, excluding prepackaged goods
- ✓ all products made from oxo-degradable plastics
- ✓ plastic balloon sticks and outdoor balloon releases

Importantly, we reiterate the need for national consistency of legislation across jurisdictions as many impacted businesses have national supply chains and are networks of ‘mum and dad’ franchisees. It is almost impossible for these businesses to apply different packaging or products in each jurisdiction. Differences between jurisdictions will result in disruption to the national supply chain, substantially increased costs and higher financial impacts on franchisees and stores.

Item	Supported action/s	Comment
Single-use plastic stirrers	Ban to be implemented 1 July 2021.	Alternatives such as bamboo and wood are widely available and cost-effective.
Single-use plastic straws	Ban to be implemented 1 July 2021. Exemption for attached or included straws in shelf-ready prepackaged goods.	Alternatives such as paper are available but do incur greater cost. We note that some retailers will be able to simply remove straws (eg. when a can or bottle of drink is provided) while others will introduce paper straws, often only on request to minimize cost. We note that current customer use of BYO straws remains minimal. Consumer and retailer education will be necessary to prepare for the new law, provide advice on alternatives and minimize complaints directed at staff, especially in situations where alcohol is involved. Support should be provided to persons requiring a straw for health or medical reasons and our preference is to promote BYO options supplied through pharmacies to avoid privacy issues or other consumers circumventing the law. Straws which are attached or included in shelf-ready prepackaged goods, such as juice boxes, should be exempt from the ban. Manufacturers are working on potential solutions and innovations however this will take a much longer phase-out period due to a) lack of viable alternatives, b) complexity of changing product design with international suppliers, and c) lead times of design and supply chains.
Single-use plastic cutlery	Ban to be implemented 1 July 2021. Exemption for attached or included cutlery in shelf-ready prepackaged goods.	Alternatives are available but do incur greater cost and complications. Some retailers will be able to remove cutlery if the majority of their food is consumed at home, though out-of-home consumption and food courts will need viable alternatives. Retailers do express concern over current customer complaints regarding bamboo and wood cutlery regarding rough texture, knives that struggle to cut meat, prongs on forks being too wide and shallow spoons. Reusable cutlery presents challenges ranging from space and resources for cleaning in

Item	Supported action/s	Comment
	Exemption for certified compostable cutlery.	<p>the retail environment, hygiene concerns and the lack of customer take-up thus far of BYO cutlery.</p> <p>Cutlery which is attached or included in shelf-ready prepackaged goods, such as spoons in yoghurt or forks in noodle cups and salad bowls, should be exempt from the ban. Manufacturers are working on potential solutions and innovations however this will take a much longer phase-out period due to a) lack of viable alternatives, b) complexity of changing product design with international suppliers, and c) lead times of design and supply chains.</p> <p>The NRA submits that though there are satisfactory alternatives to straws, plates and stirrers, there are limited cutlery alternatives that are truly fit for purpose. We also submit that single-use plastic cutlery is not a major contributor to the litter stream, unlike straws. Therefore, we submit that certified compostable cutlery such as those made of polylactic acid should be <u>exempt</u> from the proposed ban. <i>Refer more detail on page 5.</i></p>
Single-use plastic plates	Ban to be implemented 1 July 2021.	Alternatives such as paper and bamboo are available however these still pose some issues in terms of strength and liquid tolerance (paper) and cost (bamboo). Also many paper plates are coated with a plastic or bioplastic film which is barely perceivable so suppliers will need to provide guarantees of material content.
Expanded polystyrene cups, bowls, plates and clamshells	<p>Ban to be implemented 1 July 2021.</p> <p>Exemption for shelf-ready prepackaged goods.</p>	<p>Alternatives to polystyrene serviceware are widely available and many businesses have already switched to cardboard, plastic or bioplastic-lined options.</p> <p>Prepackaged products, such as microwaveable noodle cups, should be exempt at this stage as it will take a longer period of time to transition manufacturers into alternatives.</p> <p>This does highlight an issue for further bans on plastic cups, bowls and containers as no waterproof disposable alternatives currently exist outside plastic-lined board and bioplastics like polylactic acid.</p>
Oxo-degradable plastics	Ban to be implemented 1 July 2021.	<p>We are convinced by current research on oxo-degradable plastics though we note that these have long been promoted in the supply chain to retailers as an “environmentally-friendly” option.</p> <p>We therefore support the ban on oxo-degradable plastics but emphasize that industry will need adequate time to deplete and remove stock. For example, some retailers have large volumes of reusable, oxo-degradable plastic carry bags which will take 12 to 18 months to deplete, redesign and restock. If adequate time is not allowed, industry will be forced to send large quantities of stock to landfill and compensation may need to be considered.</p>
Plastic balloon sticks	Ban to be implemented 1 July 2021.	Balloons are a highly popular, much-loved product and are engrained in our way of living especially with celebrations. We do not support a ban on balloons, but do support a ban on disposable plastic balloon sticks as alternatives are available.
Outdoor balloon releases	Ban on outdoor balloon releases to be implemented 1 July 2021.	The NRA supports a ban on outdoor balloon releases. Similar to sky lanterns, it is impossible to control the final destination of helium balloons and therefore they invariably end up as litter.

4.3. Medium term recommended actions (2022)

We submit that support should be provided to **medium-term actions**, namely voluntary industry action on heavyweight plastic shopping bags, as such actions should yield practical, commercially-aware sustainable solutions without the need for costly government intervention.

Item	Supported action/s	Comment
Thicker plastic bags	Voluntary Code of Practice (under development). Targets to be met by 31 Dec 2022.	<p>Given recent success of the QLD bag ban, some retailers are now researching alternatives to thicker plastic shopping bags.</p> <p>As highlighted in the RIS, the NRA are currently developing and gaining support for a National Voluntary Industry Code of Practice for Sustainable Shopping Bags in conjunction with state governments across Australia, APCO and the Meeting of Environment Ministers.</p> <p>This Code is designed to provide clearer pathways and incentives for retailers to move towards more sustainable options by the end of 2022. Businesses need time to research, innovate and test changes and the Code would offer necessary incentives.</p> <p>The Code firstly directs retailers to consider not offering any bag, secondly towards non-plastic options and thirdly to meet extensive minimum requirements if you must offer a plastic bag. These requirements go further than a legislated thickness, and require recycled content and a disincentive to take a bag (such as bag fees).</p> <p>Should the Code be approved by governments in mid-2021, we believe that a minimum of 80% of impacted retailers will commit to the Code. This type of strategy has been very successful in microbeads.</p> <p>We ask that the QLD Government continue to support the Code and allow time to benefit from this collaborative strategy. We understand that legislative action may be taken should the Code fail to reach targeted level of commitment.</p>

4.4. Longer term recommended actions (2023-2030)

We submit that initiatives to reduce the use of plastics which contain or protect **foodstuffs** are **‘high impact’**, or **‘high risk’**, not only in terms of public health and safety, but in their impact on food waste, household budgets and modern lifestyles.

These items, such as produce bags, foodstuff packaging, beverage containers, coffee cups and takeaway food containers are used for a wide variety of purposes but are common in their need to meet high standards of food safety and also in their high consumer demand. These high-risk items require a more carefully-considered, methodical approach to trial and assess food grade, heat tolerant and sustainable substitutes, not just testing their end use but throughout the supply, waste and recycling chain to assess net public and environmental benefit.

For many of these items, viable and safe non-plastic alternatives do not yet exist.

We note the following additional considerations for the products outlined below:

Safety

Food and safety regulations often contradict with retailer attempts to become more sustainable. Businesses, particularly those that sell food or produce, are often faced with choices between hygienic plastic packaging and non-food grade sustainable materials.

Serious concerns have also been raised regarding the increased risk of contamination using consumers’ reusable containers as businesses are not able to control cleanliness and food grade standards. Current laws

allow retailers to potentially be held accountable for any adverse health impacts of contaminated food even if the consumer uses their own container.

In addition, the safety of consumers is also important for hot products which, if improperly contained, could cause significant burns. Industry is faced with challenges of innovating a solution which is waterproof, heatproof and secure.

Policies designed to address sustainability objectives must align with health and safety policies and should be consistent and applied across all levels of government.

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. In a recent lecture, FFWCRC representative Mark Barthel recommended 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.

Recommended actions

We recommend an evidence-based approach and submit that more time and innovation is needed to find viable, safe alternatives. Government research and investment into infrastructure to sustain a circular economy are also needed.

Item	Recommended action/s	Comment
Single-use plastic bowls (& plastic-lined bowls)	Further innovation needed if bioplastics are not allowed.	<p>Bowls, cups and containers must be able to hold liquid and heat safely. Before any ban is implemented, businesses must have access to a range of viable, safe alternatives. Government bodies, research organisations and industry are investigating solutions but the challenges are significant and will require time and innovation to resolve.</p> <p>These items have filled modern consumer demand for mobility and convenience in line with current lifestyles. Though some consumers may support a ban on single-use plastics in principle, current consumption, low take-up of reusable options, and implications of increased cost need to be considered.</p> <p>A key challenge is that these items are generally purchased in one place and consumed while mobile or elsewhere which can make product stewardship recycling initiatives where the consumer is required to return to store (eg. Recycle Me) limited in impact.</p> <p>Alternatives</p> <p>While promoting the use of reusable cups, bowls and containers is ideal, it is currently an idealistic solution as the majority of customers do not BYO and will not pay up to 1000 times more for an item made from glass, metal or ceramic.</p> <p>To our knowledge, currently the only disposable alternatives available to hold heat and liquid are either plastic, or fibre (cardboard or bagasse) that is lined with a plastic film or bioplastic film like polylactic acid (PLA).</p> <p>Many pure polymer plastics are recyclable in kerbside bins though more could be done to promote single polymer design</p>
Single-use plastic cups (& plastic-lined cups) including coffee cups	Further consideration of life-cycle impacts and optimal pathways to reduce landfill.	
Single-use plastic takeaway containers	Investment in waste/recycling infrastructure.	
Lids to all of the above		

Item	Recommended action/s	Comment
		<p>(including reducing carbon black plastics), consumer recycling behavior and recycling collection in public places.</p> <p>Many coffee cups, beverage cups, bowls and containers are mixed materials (fibre-based with a plastic lining) to make them waterproof and heatproof which can cause significant issues as they are difficult to separate.</p> <p>Certified compostable materials such as PLA enable waterproofing and heat tolerance, however Australia currently lacks commercial composting infrastructure. Compostable plastics still present issues in the litter stream as they do not decompose outside exact commercial composting conditions.</p> <p>The NRA submits that research and collaboration is needed to reach consensus on sustainable alternatives and which ones actually achieve better environmental outcomes. For example, paper straws usually use virgin timber to meet food grade (ie. potential deforestation) and are often coated in plastic or wax, and bamboo utensils still pose an environmental threat (i.e. methane gases) as they slowly break down in landfill.</p> <p>The NRA recommends that a reduction in these plastic items is approached in a staged way, with a whole of supply chain approach, including more recycling options to find the best solution with the greatest overall benefit.</p> <p>We also submit that greater government investment in new technologies, such as developing food grade, heat tolerant containers made from recycled and recyclable materials should be explored.</p>
Sauce sachets	Further innovation needed if bioplastics are not allowed.	<p>Similar to above, viable mobile options for liquid sauces such as tomato sauce, soy sauce, ketchup, vinegar and other sauces do not yet exist. Many retailers have moved to paper sachets for salt and pepper, and some have introduced dispensers for dine-in options, but are struggling to find suitable solutions for liquid condiments that can be provided to the customer to apply to their food when they consume it away from the point of sale.</p>
Sandwich wedge windows (and similar films)	Further innovation needed if bioplastics are not allowed.	<p>It is well-known that customers want to see the actual product they are purchasing, particularly foodstuffs. Many of these foodstuffs are unusual shapes, such as bread loaves, sandwiches, and meat, making glass an unsuitable material.</p> <p>Therefore, there is a continued need for packaging which is transparent and flexible, however the only options currently available are plastic and PLA, to our knowledge. Industry is working on innovation but will need time and support to find solutions.</p>

5. CONCLUSION

Moving towards a circular economy requires a change in perception, a shift from thinking of consumed items as 'waste' towards seeing them as valuable 'resources'. This requires incremental steps and a whole of supply chain approach, not just avoidance, with the right infrastructure and investment in innovation to create long-term change.

Retailers are keen to collaborate and be part of the solution. Many retailers are taking a proactive approach to environmental initiatives and strongly support current regulations and initiatives. At the same time businesses are faced with a myriad of regulations, economic pressures, consumer demands, health and safety requirements, cost limitations, misinformation about alternatives, and lack of recycling infrastructure.

Therefore we urge decision makers to:

- Support current positive initiatives without unnecessary regulatory intervention;
- Take immediate action on some items heeding the exemptions and challenges presented;
- Collaborate with industry in investigating, trialing and assessing alternatives to plastic items deemed high risk particularly those which touch or contain foodstuffs;
- Assist with research into sustainable alternatives to provide businesses with nationally-consistent, practical, best practice advice;
- Continue to invest in community education campaigns particularly regarding recycling, food waste and the realities facing Australian businesses as they move towards more sustainable options; and
- Invest time and resources into improving innovation and infrastructure to help build a circular economy in Australia.

Thank you for this opportunity to provide our submissions on behalf of the retail industry and our members.

Should you have any queries, I can be contacted on 0409 926 066 or d.stout@nra.net.au.

Yours faithfully,

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

David Stout

Director, Policy

National Retail Association

