

**INQUIRY INTO WASTE AVOIDANCE AND RESOURCE
RECOVERY AMENDMENT (PLASTICS REDUCTION)
BILL 2021**

Organisation: Australian Retailers Association
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Portfolio Committee No. 7 - Planning and Environment
Parliament House
Macquarie Street
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03 May 2021

Ms Cate Faehrmann

RE: ARA SUBMISSION TO NSW PARLIAMENTARY INQUIRY ABOUT THE ELIMINATION OF PLASTIC POLLUTION

The Australian Retailers Association (ARA) welcomes the opportunity to make a submission to the New South Wales parliamentary inquiry examining the *Waste Avoidance and Resource Recovery Amendment (Plastics Reduction) Bill 2021*.

The ARA is Australia's largest retail association, representing the \$325 billion sector employing more than 1.3 million people. As the peak body for Australia's retail sector, the ARA represents more than 7,500 retailers across Australia.

ARA members are strongly committed to partnering with government and other stakeholders in achieving environmentally sustainable outcomes; and the ARA welcomes the intent of this bill to eliminate plastic pollution and acknowledges the important role that retailers will play in working towards this goal.

National harmonisation

The ARA welcomes the broad alignment between this bill and the communique arising from the Environment Minister's Meeting (EMM) in April 2021, acknowledging the need for national harmonisation. The communique also called for "greater certainty for industry" in respect of the phase-out of eight "problematic and unnecessary" plastic products, including lightweight plastic bags, plastic products sold as degradable, plastic straws, plastic utensils and stirrers, polystyrene food containers, polystyrene packaging and microbeads in personal health care products.

There is good alignment in terms of the scope of this bill and the communique, and the addition of "plastic resin pellets used in industrial processes" proposed by this bill is also welcomed.

However, the objective of this bill (to eliminate plastic pollution by 2025) differs to that agreed at the recent EMM (to phase-out "problematic and unnecessary" plastics by 2025). This difference would be problematic for NSW retailers and their suppliers, many of whom operate across multiple jurisdictions in a national marketplace. The ARA recommends that the objective of this bill aligns with the stated objective of the EMM to improve harmonisation in the phase-out of plastics.

Appointment of Commissioner

The ARA would like to understand more about the proposed appointment of a Commissioner to oversee the planned phase out of plastics. We anticipate that the Commissioner would play an important role, working with industry to agree a plan to phase out plastics and oversee delivery of initiatives and targets. However, consideration would need to be given to the devolution of powers from the Minister to the Commissioner and the potential for an additional layer of bureaucracy, which potentially adds complexity and costs for NSW retailers.

Targets and phasing

Some of ARA's members are also signatories to the Australian Packaging Covenant (APC) with long standing commitments and targets to reduce all types of packaging, including plastics. The ARA would not be in a position to support any reporting requirements imposed by the Commissioner that duplicate reporting against targets already provided to the APC, given the unnecessary administrative burden and additional layer of cost this would impose upon our members in NSW.

In respect to the phased approach to the elimination of plastics, the ARA's position is that some of the proposed targets are unrealistic and the proposed phasing of targets is too prescriptive; and that the combined impact of will lead to unnecessary complexity, system waste and sunk costs for business.

The proposed 90% reduction in plastics by the end of 2022 (a little more than 18 months away) is particularly aggressive and fails to take into account the difficulties for retailers and brand owners in sourcing alternatives to plastics, the investment required to produce market-ready alternatives to plastics, and the financial impact on businesses who would wish to comply with the intent of this bill because they value environmental sustainability.

In addition, these targets may differ to those prescribed by other jurisdictions, further compounding these impacts on retailers. The recommendation of the ARA is that the bill should reference macro targets and that these targets should align with those set by other jurisdictions or agreed nationally.

The ARA is broadly supportive of the lead-time to be provided to phase out different types of plastic products and packaging, with the exception of those items with a three-month grace period, such as single-use plastic bags and products containing micro beads. The ARA recommends that this period be extended to 12 months to provide retailers sufficient time to work with their supply chain partners and deplete stock holdings without creating unnecessary waste or incurring sunk costs. For the avoidance of doubt, this 12-month timeframe should be from the time the legislation is enacted.

Alternatives to plastic

In some instances, the use of plastic represents the lowest environmental impact when compared to other materials that could be used, for example packaging concepts that use a high proportion of recycled content, which have a lower carbon footprint than paper or cardboard. In other instances, there are not alternatives to plastics that maintain product safety and integrity in a cost-effective manner, such as expanded polystyrene (EPS) and plastic packaging for fruit and vegetables.

At this stage, the ARA would not be in a position to support the inclusion of these materials, within the timeframes proposed in the bill.

The ARA also recommends the following exemptions:

- In respect of food packaging, the ARA recommends that food-grade packaging be exempt on the grounds that plastic packaging is required to maintain food safety and quality, protect food during transportation by business and consumers, and reduce food waste as a result of early spoilage. Consideration also needs to be given to products with a shelf-life (or best before date) that exceeds the target date for elimination of plastic packaging.

- In respect of packaging for medical equipment, the recommendation is that this type of packaging be exempt. The ARA also recommends that consideration be made to vulnerable people in our community who may require additional support managing any future changes.

The ARA also suggests that consideration be given to the infrastructure requirements of managing alternatives to plastics through kerbside recycling, given the use of organic materials to replace some plastics could increase contamination of residual plastics in the waste stream and reduce overall recycling rates.

Recycled content

The bill refers to the requirement that “all plastic packaging used in the State is comprised of at least 30% recycled plastic” by the end of 2024. The ARA strongly recommends that this target should be calculated as an average across all types of plastic packaging, given that recycled content may not be feasible in some applications while higher recycled content may be possible in others.

Consumer education

The ARA recommends that the costs of delivering consumer education be considered by the Committee. Given the important role that retailers play as the key intermediary between the supply chain and consumers, the ARA would welcome the opportunity to work with government and other stakeholders to help educate consumers and retailers about any potential ban on plastics, assuming the bill is enacted.

Market development

Finally, the ARA highlights the need and opportunity for NSW to establish new markets required to provide cost-effective alternatives to plastic materials and enhance onshore processing capability of plastics that will remain in circulation through the economy after any potential ban takes effect. It is important that these opportunities are integrated into a broader approach to invest in NSW's circular economy.

Thank you for the opportunity to make a submission to this inquiry. The ARA looks forward to further engagement in relation to the *Waste Avoidance and Resource Recovery Amendment (Plastics Reduction) Bill*. If you have any questions regarding the ARA submission, please do not hesitate to contact me directly.

Yours sincerely,

Paul Zahra
Chief Executive Officer