

ARA SUBMISSION

INDEPENDENT REVIEW OF THE SINGLE-USE AND OTHER PLASTIC PRODUCTS (WASTE AVOIDANCE) ACT 2020

OCTOBER 2024

EXECUTIVE SUMMARY

The Australian Retailers Association (ARA) welcomes the opportunity to provide feedback to Richard Dennis AM PSM for the review of the *Single-use and Other Plastic Products (Waste Avoidance) Act 2020*. This feedback will contribute to the recommendations report being prepared for the Deputy Premier.

The ARA is the oldest, largest, and most diverse national retail body, representing a \$420 billion sector that employs 1.4 million Australians – making retail the largest private sector employer in the country. As Australia's peak retail body, representing more than 120,000 retail shop fronts and online stores, the ARA informs, advocates, educates, protects, and unifies our independent, national, and international retail community.

We represent the full spectrum of Australian retail, from our largest national and international retailers to our small and medium-sized members, who make up 95% of our membership. Our members operate across the country and in all categories - from food to fashion, hairdressing to hardware, and everything in between.

In South Australia, we represent the interests of small retail businesses as well as our large, national members who operate extensive store networks across the state in supermarkets, department stores, specialty retail, pharmacies, hospitality and quick service restaurants.

The ARA has been an active member of the South Australian Single-use Plastics Stakeholder Taskforce and has had the opportunity to share industry perspectives about the impact of plastic bans in ongoing forums. We look forward to continued collaboration to ensure a smooth transition away from problematic plastics to ensure a sustainable solution for the retail industry.

COMMENTS AND RECOMMENDATIONS

We make the following comments and recommendations in response to the discussion paper.

1. Harmonisation of legislation

A national regulatory framework for single-use plastics is essential to prevent a fragmented national market. It would allow businesses to streamline compliance processes, direct resources towards developing viable alternatives, and facilitate a more efficient transition away from problematic plastics.

Legislation banning single-use plastic items in Australia varies across jurisdictions, creating significant compliance complexity due to uncoordinated reform efforts. The absence of national regulations has led to inefficiencies, as states and territories adopt different approaches to the shared goal of reducing plastic use.

Harmonisation of states would minimise regulatory inconsistencies and allow industry to invest in research and development of sustainable alternatives to single-use plastics.

The fragmented approach to single-use plastic bans across Australian jurisdictions has resulted in an unsustainable regulatory environment. While the commitment to reducing plastic waste is commendable, the compliance burden for national retailers and brand owners is considerable. This includes the challenges of interpreting varying requirements, assessing compliance across different states, and implementing suitable alternatives that meet customer needs.

As suggested in the discussion paper, we recommend the creation of a national set of principles for determining which plastic products should be banned, along with suitable alternatives. These principles should be informed by research on the prevalence of certain plastics in the litter stream, prioritising the most problematic items. Evaluation of alternatives should consider their market availability and the extent to which they provide a net environmental benefit. Nationally agreed-upon definitions, as outlined earlier, are also critical.

2. Suitable alternatives

One of the key challenges in banning plastics within the industry is the difficulty in distinguishing and implementing suitable alternatives. While alternatives exist for some banned plastic products, they are not always universally viable. In many cases, these alternatives are significantly more expensive, which can have a substantial commercial impact on businesses. For example, compostable bags that can replace plastic barrier bags for fruit, vegetables, and deli products are more than six times the cost of their plastic counterparts. This cost increase adds to the overall expenses for businesses, particularly retailers already operating on narrow profit margins. Moreover, certain alternatives introduce hygiene concerns, potentially affecting both workers and consumers, further complicating their adoption.

In addition to cost and safety concerns, the lack of alignment in state regulations leads to fragmented and inefficient supply chains. The regulatory inconsistencies create confusion and inefficiencies for businesses operating across multiple states and highlight the urgent need for a more cohesive and consistent approach to regulating plastic alternatives across the country.

A key concern with rushing retailers to adopt alternatives is the risk of implementing items that ultimately prove unfit for purpose. This was recently exemplified when compostable containers failed to store hot liquid ready-to-eat foods (e.g. soup, laksa, broth etc), prompting the South Australian government to temporarily reinstate the use of single-use plastic polypropylene bowls for such items. This situation underscores the importance of a steady and collaborative approach in order to minimise inefficiencies and associated costs for businesses.

3. Review of definitions

The discussion paper notes that each jurisdiction currently uses different definitions for key terms, which alter the scope of regulation. It seeks feedback on whether the current South Australian definitions are appropriate or whether the definitions from another state or territory should be adopted instead.

Greater clarity and efficiency would be achieved if South Australia collaborated with other jurisdictions to establish a single, nationally consistent definition for key terms to be applied across all states and territories.

These definitions should be aligned from a national perspective and potentially with reliable internationally recognised agencies. We understand that a project led by the Heads of Environmental Protection Agencies (HEPA) has begun to address this, and it should be prioritised, with common definitions agreed upon and endorsed by the Environment Ministers Meeting (EMM).

Given that supply chains for plastic products are often international, and Australia's market is relatively small, HEPA's work should also consider alignment with international standards, particularly focusing on trans-Tasman consistency. A nationally consistent definition, based on Western Australia's approach, should be developed and endorsed by the EMM.

4. Public information campaigns

Retailers need vital support and assistance from the government to effectively phase out single-use plastics. Financial support to invest in reuse schemes will help retailers develop a process that is in line with a circular economic model and public information campaigns are critical to optimise implementation of the Act with key stakeholders such as suppliers, consumers and the broader community.

i. Supplier education campaigns

Effective stakeholder engagement and industry communication are critical when enforcing plastic bans to minimise unintended consequences, such as non-compliant products being sent to landfills. Regulatory changes should be communicated well in advance, allowing businesses sufficient time to deplete existing stock and source viable alternatives. A thorough stakeholder mapping and engagement process should be developed to ensure all impacted parties are informed about proposed changes, have opportunities to provide feedback, and are given adequate time to prepare for compliance.

Improving the coordination and timing of information dissemination would allow businesses to plan and adapt more effectively, ensuring that they are ready when regulations come into force. Clear, early, and consistent communication will help minimise disruptions to the industry and support collective readiness for compliance. This collaborative approach will help ensure smoother transitions and more effective implementation of the ban.

ii. Community education campaigns

Ultimately, efforts from the government and retailers will be fruitless if consumer behaviour does not change. For the Act and transition to be effective, the South Australian government must provide clear, simple, and concise information and nudges that make it easy for consumers to adapt their habits. Although there should be a national approach and campaign, in South Australia, where single-use plastics are being phased out, the public needs practical guidance on what alternatives to use and how to properly dispose of them.

To facilitate the transition to sustainability, it is crucial to make recycling easier for consumers. Clear communication is essential to inform them about the important role they play in adopting alternatives to single-use plastics. Additionally, engaging community education campaigns should be developed to establish the case for change and prepare consumers for the transition.

Well-designed public education campaigns, supported by straightforward regulations, will help ensure that consumers understand the changes and can make more sustainable choices without confusion or complexity i.e. adopting reusable food and beverage containers at events. By simplifying the transition process, the government can foster widespread adoption of environmentally friendly practices and support long-term sustainability goals.

CONCLUSION

While the ARA supports the goal of banning single-use plastics, the practical challenges confronting the industry significantly hinder the ability of our sector to realise this vision. The difficulty in sourcing suitable alternatives, inconsistent definitions across states, and insufficient public information highlight the need for a more coordinated and strategic approach. A unified national framework for plastic regulation, coupled with enhanced communication and planning, is essential to ensure the success and viability of efforts to reduce plastic waste in South Australia, and more broadly, across the nation.

Thank you for the opportunity to provide a submission to this inquiry. Any queries in relation to this submission can be directed to our policy team at policy@retail.org.au.