

PLASTIC CARRY BAGS

**WORKING TOWARDS
CONTINUOUS ENVIRONMENTAL
IMPROVEMENT**

**REPORT TO THE CHAIRMAN
ENVIRONMENT PROTECTION AND HERITAGE COUNCIL**

**A Report incorporating Group One Retailers' Report *under the
Australian Retailers Association Code of Practice for the Management of
Plastic Bags dated 9 October, 2003 (the ARA Code)***

22 May 2006

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SUMMARY

Supermarket Group One Retailers, along with their customers, have achieved a dramatic reduction of 45% in the annualized rate of HDPE carry bags issued (against the December 2002 baseline) at 31 December 2005. This represents a reduction in the issuance of the HDPE carry bag by national retailers by approximately 3 billion HDPE bags over the last 2 years. Supermarket Group One Retailers now account for less than half of the HDPE bags issued annually.

Through the provision of in-store recycling facilities and recycling awareness campaigns, Supermarket Group One Retailers customers, have achieved a recycling rate of 14% of HDPE bags issued.

They have also achieved a substantial level of recycled content in the composition of the HDPE bags issued during that period.

In all other respects, the Supermarket Group One Retailers have also met their other commitments of the 2003 Plastic Bag Code.

Achievements Since 2003

Many consumers have changed their behaviour and now use and more carefully dispose of lightweight plastic carry bags. Through their efforts lightweight plastic carry bag use in supermarkets has fallen dramatically along with a significant increase in the recycling of used bags.

The efforts of the past two years represent a significant community attitudinal change program that has been supported by the Government, Environmental Groups and major supermarkets.

While consumers' actions have been remarkable, it has required a significant investment by the Group One Retailers. Coles Myer, Woolworths, Metcash / IGA and Franklins have embraced the program and spent more than \$50 million to:

- Achieve a significant reduction in the number of light weight (HDPE) plastic carry bags issued in the last two years;
- Increase the recycling and recycled content of the bags issued; and
- Increase public awareness of the environmental benefits of increased bag recycling and alternative bag re-use.

Despite these major achievements, the majority of consumers have yet to alter their behaviour.

The Way Forward

The Australian National Retailers Association (ANRA) members and other Group One Retailers maintain their support for an on-going program to achieve longer term litter reduction objectives set by the Federal & State Governments.

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ANRA members are committed to work with Government to develop a Carry Bag Code which is based on the key Objectives of “continuous environmental improvement.”

Continuous Environmental Improvement Objectives:

- **Continue to work towards achieving a further reduction of 10% in plastic bag issuance by December 2006 - against the 45% achieved at December 2005.**
- **Work with Government to identify environmentally and commercially feasible degradable light weight bag alternatives suitable for large scale introduction with further HDPE bag reductions linked to their availability.**
- **A review after 12 months to examine progress on practical measures for further improvements in alternative HDPE bag substitution ; recycling and recycled content HDPE bags.**
- **Minimise litter by working with stakeholders to responsibly dispose of used carry bags and to work closely with Government and key stakeholders to develop initiatives to achieve this Objective.**
- **Continue to optimise the use of alternative carry bags, the recycling of used light weight plastic carry bags and the recycled content of carry bags.**

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Australian National Retailers Association (ANRA)

The ANRA was recently formed by major national retailers operating throughout Australia with the key objective *to represent the interests of the national retail sector by engaging with governments, the media and the community for the betterment of Australian consumers.*

The ANRA has funded the development of this report under the ARA Code and the report includes audited results from ANRA members and non-members and unaudited results from non-members.

The ANRA has developed the position statement and is developing a Carry Bag Code as the way forward. While these have the support of the broader membership of ANRA members beyond Group One Retailers under the now expired ARA Code, non-ANRA members who are Group One Retailers, have indicated support for the ANRA position.

ANRA members continue to act environmentally responsibly and will commit to adopt the ANRA Carry Bag Code once it is agreed.

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Summary of ANRA Position

Consumers have reacted positively to the major supermarkets bag reduction program by changing their behaviour regarding the use and disposal of lightweight plastic carry bags.

The program is supported by Government, Environmental Groups and major supermarkets.

Through their combined efforts, lightweight plastic carry bag use in supermarkets has fallen dramatically along with a significant increase in the recycling of used bags.

There has been a massive reduction in the use of lightweight plastic bags by the major supermarket chains as a result of the program and its significant investment – a reduction of approximately 3 billion bags or 16,000 tonnes of plastic over the last 2 years.

Having achieved a 45% reduction, the ANRA members are still working towards achieving the original stretch target of 50% through maintaining the program and developing realistic alternatives.

Through the experience of the last two years, ANRA members now believe that the significant reductions that can be achieved through the current measures among major retailers have been largely realised. However, further benefits can be achieved by:

- Expanding the program to the many tens of thousands of food service providers and smaller retailers who now account for over half of the bags issued annually
- Developing an approved degradable bag replacement option that meets environmental, OH&S, business and community specifications so they can be readily adopted across the retail sector.

Extending the program to the tens of thousands of retailers currently not in the program will obviously expose the process to millions more customers and may well encourage the responsible recycling or disposal of unused bags; the increase in recycled content bags and the increased use of reusable and alternative bags to become more of the social 'norm' enabling the benefits of the efforts of ANRA members to date to extend to all retailers and for the litter reduction focus to gather further momentum. Governments might need to consider incentives to encourage the investment needed by the smaller retailers.

Positive consumer behaviour will be the major determinate of the future success of the ANRA Carry Bag Code and litter abatement programs.

The ANRA strongly believes that new avenues need to be explored to achieve further reductions. However, it counsels against the use of any mandatory measures such as carry bag bans or levies because they would impose significant financial penalties on retailers which will be inevitably passed on to consumers; with the cost falling most heavily on those who can least afford it. There will also be health and safety risks associated with a multitude of types, sizes and composition of alternative bags. These risks will be borne by the tens of thousands of retail store staff and by millions of customers.

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The 45% reduction is, by any measure, a significant achievement. Whilst the ARA Code provided for a “target” of a 50% reduction by December, 2005, further reductions will not be achievable without the costs and risks referred to above. However major retailers will work towards achieving the 50% reduction target by the end of 2006 through a continuation of programs, which have been successfully applied over the last 2 years and the development of new alternative / substitute bag options.

To date no degradable bags have been found that meet their claimed performance standards, and Government and industry standards are yet to be finalised. None the less, ANRA members believe this avenue must continue to be urgently explored. We seek Government commitment in developing environmental policies and uniform national Standards in regard to degradable alternatives and substitutes to help retailers work through this process.

The ANRA believes that working under the principle of “continuous environmental improvement”, a commitment to the maintenance of the current measures and to a broadening of the responsibility to all retailers of lightweight plastic bag reduction, recycling and re-use, should continue. It is willing to review any avenues for further reductions through ongoing investment under the proposed ANRA Carry Bag Code through the development and implementation of new solutions for the lightweight plastic bag litter issue.

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GROUP ONE RETAILERS REPORT

Background to the ARA Code

Nolan ITU in its Final Report - *Plastic Shopping Bags- Analysis of Levies and Environmental Impacts* December 2002 said:

The current (light weight) plastic shopping bag is well suited to its task – it is cheap, lightweight, resource efficient, functional, moisture resistant, allows for quick packing at the supermarket and is remarkably strong for its weight. The production of 6.9 billion plastic shopping bags consumes approximately 36,850 tonnes of plastic, or 2% of total plastics produced in Australia each year. This is a small percentage of the total amount of packaging consumed in Australia each year, which is estimated to be around 3 million tonnes. It has been estimated that plastic shopping bags make up 2.02% of all items in the litter stream, however, they pose real ecological impacts and hazards and as such need to be effectively addressed along with other components of the litter stream.

On 2 October 2003, the Environment Protection and Heritage Council (EPHC) noted in its communiqué under the heading **Plastic Bags:**

*Moving ahead with the national campaign to reduce plastic bag litter, Ministers today formally accepted the Retailers Code of Practice for the Management of Plastic Shopping Bags.....**Retailers are supporting the Governments and the community goal of cutting lightweight plastic bag litter by 75%. - The 45% reduction in the number of bags issued has been a major contributor to this goal.***

Commitments under the previous ARA Code

Commitment 1 refers to the annualized rate of HDPE plastic bags issued compared with the 2002 baseline, specifically:

- 1a. A 25 percent reduction in the annualized rate of lightweight HDPE plastic bags being issued by 31 December 2004.
- 1b. A **targeted** 50 percent reduction in the annualized rate of lightweight HDPE plastic bags issued by 31 December 2005.

The term “annualized rate of reduction” refers to the adjustment of the rate of bags issued for the month of December so as to reflect a rate that is based on a full year.

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Definition: Light Weight Plastic (HDPE) Carry Bag

“single use light weight plastic (HDPE) bags designed for the general carriage of goods by consumers, commonly referred to as “singlet bags” (and does not include non-handled cross-contamination/barrier bags).

Original Group One signatories to the Code

- Woolworths Supermarkets (including Safeway)
- Coles Supermarkets / Bi-Lo
- Foodland Australia Limited
- Australian United Retailers/Food Works (AUR)
- Franklins Pty Ltd
- IGA (Independent Retailers of Australia) (including Ritchies)

The Audit Process

KPMG was appointed by the Australian Retailers Association (ARA) to devise audit guidelines to outline the methodology for conducting audit procedures on selected information reported by large supermarket retailers as required under the ARA Code.

The guidelines specify audit procedures on the systems and controls in place for collecting and reporting data and the reliability of data itself, and obtain evidence to support findings.

The guidelines are in two parts:

- Head office checklist – outlines the procedures to be conducted at Head Office for selected information, and serves as the reporting document and provides a template for reporting factual findings to management and the aggregator of Group One data, and
- Individual Store checklist – outlines the detailed procedures to be conducted at individual stores for selected information.

Internal auditors are required to document findings from procedures in the space provided within the checklists, and provide extra information as necessary.

KPMG devised the guidelines to be used in conjunction with the Australian Auditing Standards, most notably:
AUS 106 Explanatory Framework for Standards on Audit and Audit Related Services
AUS 514 Audit Sampling and Other Selective Testing Procedures, and
AUS 904 Engagements to Perform Agreed-Upon Procedures.

The scope and conduct of audit procedures is outlined in the Guidelines. There are six commitments under the ARA Code which are included within the scope of the audit engagement. The auditor is required to conduct audit

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procedures in relation to the following commitments. The audit procedures to be conducted for each of these commitments are covered in the supplementary audit procedures checklists.

The six commitments are:

1. Reduction in the annualized rate of HDPE(light weight plastic carry) plastic bags issued (against the 2002 baseline)
2. Undertaking the active development and implementation of viable and environmentally acceptable reusable options to support the reductions. A list of agreed upon reduction activities is provided in the audit procedures checklist
3. Committing to the use of HDPE (light weight plastic carry) bags containing domestic recycled content and through recycling programs, maximize the recovery of quality feedstock for such bags
4. Ensuring availability in stores of multiple use bags and making available customer information on these bags
5. Offering customers easily accessible and clearly identified recycling stations
6. Train checkout staff to build and maintain awareness of, and support the promotion of alternatives.

The Guidelines allow for the use of Internal Auditors, however External Auditors are required to check this work.

Aggregation of Data

In line with the ARA Code, Group One Retailers results are aggregated. The aggregation process aggregates the base line data and compares this with the aggregated December 2005 results of each reporting Group One Retailer.

An example of the Aggregation Process

Column 1	Column 2	Column 3	Column 4	Column 5
Group One Retailer	Annualised Rate of Bags Issued (baseline - millions)	Share of Bags Issued in 2002 (%)	2005 Reduction compared to 2002 Base line (%)	Contribution to Total Reduction (%)
Retailer A	60	30	50	15.0
Retailer B	100	50	40	20.0
Retailer C	40	20	45	9.0
TOTAL	200	100		44.0*

** [NOTE: The figures quoted in the table above are examples only and serve to highlight the methodology of the Aggregation Process.]*

Column 2

Annualised Rate of Bags Issued in base year (millions) – the audited figure provided in each Group One Retailer's report

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Column 3

Share of Bags Issued in 2002 (%) – calculated as follows:

Retailer Annualised Rate of Bags Issued (Column 2) divided by Total Group
One Retailers Annualised Rate of Bags Issued (total Column 2)

Column 4

2005 Reduction compared to 2002 Base line - the audited figure provided in
each Group One Retailer's report

Column 5

Contribution to Total Reduction adjusted for market share – calculated as
follows:

The total (Column 5) of each Retailer Share of Bags Issued in 2002 (Column
3) multiplied by each Retailer 2005 Reduction compared to 2002 Base line
(Column 4)

Group One Retailers' operations do not operate within State Boundaries

Group One Retailers have been requested from time to time to provide State-by-State reports on initiatives under the Code. Assessment of Group One Retailer operations shows that most Group One Retailers operations, including distribution operations, are national and do not adhere to State or Territory boundaries. Group One Retailer operations have removed state boundaries in order to gain efficiencies in their operations and to reduce costs to consumers.

As most Group One Retailers operations do not recognise State boundaries, they are unable to provide State by State reports.

Some examples of Group One Retailers' operating boundaries are listed below:

- SA supplies some Western Victoria stores and NT stores
- Qld also services Northern NSW and parts of NT
- Vic supplies some Southern NSW stores
- Vic services Southern NSW and eastern parts of SA
- Northern NSW is supplied by QLD
- ACT supplied by NSW
- QLD supplies northern NSW as well as the rest of the state
- SA also services NT and far western NSW
- NT services top western parts of WA and top western parts of Qld

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Presentation of Results - *under the Australian Retailers Association Code of Practice for the Management of Plastic Bags dated 9 October, 2003 (the ARA Code)*

The audited and aggregated results of Coles Myer, Franklins and Woolworths are presented. Following the acquisition of Foodland Australia Limited by Metcash and Woolworths, those stores acquired by Metcash are now included in the unaudited results of other Group One Retailers following changes in ownership.

The activities of other Group One Retailers are considered although they are unable to follow the formal audit process due to differences in methods of collection. For example, most supermarket banner groups cover retailers that operate independently and do not record or report data in a consistent manner across the group. This is consistent with past reports.

In summary, for the period to 31 December 2005 the Group One Retailers have successfully met the six key commitments of the ARA Code.

1. Reduction in the annualized rate of HDPE (light weight plastic carry) plastic bags issued (against the 2002 baseline)

A reduction of 45% was achieved to 31 December 2005. This figure is the aggregation of three Group One Retailers' audited results and the unaudited results of other Group One Retailers including 1250 IGA Stores, and adjusted for market share.

2. Undertaking the active development and implementation of viable and environmentally acceptable reusable options to support the reductions. A list of agreed upon reduction activities is provided in the audit procedures checklist

All Group One Retailers have developed and implemented reusable options and this is confirmed in the audited reports of individual retailers.

3. Committing to the use of HDPE (light weight plastic carry) bags containing domestic recycled content and through recycling programs, maximize the recovery of quality feedstock for such recycled content bags

All Group One Retailers use lightweight plastic carry bags containing substantial recycled content and this is confirmed in their audited reports.

4. Ensuring availability in stores of multiple use bags and making available customer information on these bags

All Group One Retailers have multiple use bags available and offer customer information on reusable options available and this is confirmed in their audited reports.

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5. Offering customers easily accessible and clearly identified recycling bins within their stores, where feasible

All audited Group One Retailers provided recycling stations/bins to consumers and this is confirmed in their audited reports. Some unaudited retailers may not provide recycling as it is infeasible.

Group One Retailers achieved a recycling rate for HDPE bags returned to store as a percentage of total HDPE bags issued of 14%. This figure is the aggregation of Group One Retailers' audited results, adjusted for market share, where recycling companies were able to report to retailers.

Retailers indicate that reduced issuance of light weight plastic carry bags initially resulted in fewer bags, as a percentage of those issued, being recycled (see 2004 report), however the roll-out of recycling facilities and customer awareness of recycling opportunities has resulted in a substantial increase in the recycling rates.

6. Train checkout staff to build and maintain awareness of, and support the promotion of alternatives.

All Group One Retailers provided training to staff in stores and this is confirmed in their audited reports.

Audited vs Unaudited Reports

Some Group One Retailers, operating as independents within a banner group, are unable to provide audited reports as their diversified systems and operations make using the audit guidelines unfeasible, however, they have provided information on how they have implemented the ARA Code.

Many of these retailers act as cooperative banner groups and provide members with marketing services, however stores are individually owned and operated which means store compliance and consistency cannot be guaranteed. The banner group retailers provide light weight plastic carry bags and reusable bag products but member stores are at a liberty to make their own choices as to what they offer customers. They are also unable to provide purchased item counts due to the lack of a central database of in-store sales unlike the chains.

All these retailers offer a range of reusable options at the point of sale, such as green bags, calico bags, cardboard boxes, paper bags, string bags and heavy duty plastic woven bags. These retailers also make available information on reusable options and educate customers about bag issues and have trained staff to raise awareness.

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Background to Plastic Bag Litter

Nolan ITU, the environmental consultant engaged by government, highlights the lack of robust litter data and the small contribution (approx 2% of all litter) that lightweight plastic carry bags contribute to the litter stream.

Nolan ITU recognise the contribution of (light weight) plastic shopping bags to the litter stream, however also note that they should not be separately targeted but addressed **along with other components in the litter stream** (emphasis added). A question to be answered is why would the primary focus be on light weight plastic carry bags which make up approximately 2% of the litter stream (and arguably considerably less following the major reduction in HDPE bag issues, alternative bag use, increased recycling / recycled content and public litter awareness) and not address the other components of the litter stream?

The Nolan ITU Final Report - *Plastic Shopping Bags- Analysis of Levies and Environmental Impacts* December 2002 noted that *Plastic shopping bags appear to be approximately 2.02% of the Australian litter stream, although reliable data on the total litter stream is unavailable.* This percentage of HDPE singlet bags entering the litter stream is estimated by Nolan ITU to be equal to 0.5% of total output of HDPE singlet bags. Nolan ITU went on to note that *a certain percentage are littered, either directly by consumers or from being blown out of the garbage stream and landfills, however the actual number of bags currently in the environment and the number littered annually is not known.*

The Senate Environment, Communications, Information Technology and the Arts Legislation Committee Inquiry into the Plastic Bag Levy (Assessment and Collection) Bill 2002 [No.2] and the Plastic Bag (Minimisation of Usage) Education Fund Bill 2002 [No.2], November 2003 (the Senate Inquiry) at clauses 2.24 to 2.27 of their report, they noted that Nolan ITU *suggests that the nature of many goods purchased and carried in plastic bags affects the end destination of both the product and the bags. The destination of bags strongly affects their disposal destination, including recycling and reuse of the bags, as well as their littering potential. The three major destinations that have been identified are, home, away from home – outdoor, and away from home – commercial and industrial.*

Outdoor use locations include take-away food areas, and picnic, camping and building sites. Indoor locations include businesses, offices, shows, exhibitions and other commercial areas.

The original destination of plastic bags may be to the home, but the proportion of these are reused and their ultimate destination may be determined by this secondary use. Out door use locations are considered to carry a greater possibility that the bags will be littered than indoor use locations.

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Nolan ITU estimates that approximately 20 per cent or less(ie.aprox. 0.4%) of all plastic bags (not all of which are generated by food retailers)which are utilized in outdoor away-from-home locations are littered, with the remainder of those littered coming from inadvertent litter sources through waste management activities (emphasis added).

Mr Allen of Nolan ITU appeared before the Senate Inquiry in Melbourne and is reported to say, ***We were identifying that the litter is not actually coming from the full retail but predominately from away-from-home destinations. So if you have convenience store, takeaway food type outlets you will probably find that while they make up a relatively small number in plastic bag consumption, they contribute a relatively high number to the litter issue.*** (emphasis added). These outlet operators have by and large not participated in or given any support for the ARA Code.

Nolan ITU Final Report - Plastic Shopping Bags- Analysis of Levies and Environmental Impacts December 2002 noted that *There is a high level of reuse of plastic shopping bags, with an estimated 60% of bags with an “at home” destination cascading to a second use before disposal.* This re-use is now accepted as an effective domestic garbage disposal medium by local Councils, garbage contractors and the general public. Systems, processes and equipment are all geared to this long standing and effective domestic waste disposal practice.

The ANRA considers that statistically robust litter data would be required to make any assessment of the environmental impact of the ARA Code on reducing litter and to provide a base to measure the effectiveness of any future industry and government initiatives.

Despite the 3 billion (45%) bag reduction by Group One Retailers and ANRA members, supermarket/retail bags litter remains static over the 5 year life of the Clean Up Australia surveys, at around 2% of the total litter stream. **Therefore Group One Retailers do not appear to be the significant source of lightweight plastic bags litter, and this is supported by the Government’s consultant, Nolan ITU.**

The National Packaging Covenant (the Covenant) requires *that there is an ongoing, critical need to collect and maintain reliable, comprehensive and national data on the overall environmental impact of used packaging, plus the environmental and economic costs and benefits associated with landfilling verses re-use/recycling.*

Schedule 2 of the National Packaging Covenant, *Environmental Goals, Overarching Targets and Key Performance Indicators*, notes under Goal 3 (Consumers able to make informed decisions about consumption, use and disposal of packaging of products) that data is to be collected to provide the *Amount and type of consumer packaging in the litter stream and the measurement of Improvements in littering behaviour.*

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The National Packaging Covenant requires *that all parts of the packaging supply chain, consumers and governments have a role to play ensuring that packaging is developed and managed throughout its lifecycle in a way that minimizes the consumption of materials and other inputs during production and adverse environmental consequences.*

One of the conclusions of the Senate Inquiry noted at clause 2.116 that, *Additionally, of their own volition, consumers will need to take greater responsibility for their use and littering of plastic bags if significant improvements in the impact of the bags on the environment are to be seen.*

The Senate Inquiry at clause 2.35, Clean Up Australia pointed out that levels of littering and recycling differ between the two countries (Australia and Ireland) and this may affect the tools that can be brought to bear on the problem:

The situation in Ireland is different from Australia's. There are a couple of key factors. The level of litter of plastic bags in Ireland is 15 per cent of the litter stream, in Australia it is 2.02 per cent. The other major difference between Ireland and Australia is that Australia has a very substantial recycling infrastructure, and Ireland does not. Therefore, Australia has greater options in terms of addressing the issue.

The Taiwan Environmental Protection Administration lifted a 4.5 year ban on retailers offering customers light weight plastic carry bags in March 2006 because evidence showed that the policy did not work.

The Preface to the National Packaging Covenant 15 July 2005 notes the *Covenant is designed to minimize the environmental impacts arising from the disposal of used packaging, conserve resources through better design and production processes and facilitate the re-use and recycling of used packaging materials.... The adoption of product stewardship policies and practices by all participants in the packaging supply chain that contribute to the minimization of the environmental impacts of consumer packaging within their individual spheres of influence, the optimization of packaging to balance resource efficiency and maximize resource re-utilisation and where applicable and sustainable, the provision of used packaging and paper recovery systems.*

The Product Stewardship principles contained in the National Packaging Covenant note under *Education* that; *It is essential that reliable information be developed and circulated to assist consumers in making informed purchasing choices.*

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The ANRA Position

Consumers have reacted positively to changing their behaviour to the use and disposal of light weight plastic carry bags. Through their efforts lightweight plastic carry bag use in supermarkets has fallen dramatically along with a significant increase in the recycling of used bags.

While by all accounts, this has been a successful community attitudinal change program which Government, Environmental Groups and major supermarkets can be proud, there is a significant way to go. .

Major retailers, including Coles Myer; Woolworths; Franklins & Foodland / IGA, as Group One Retailers under the ARA Code, have incurred costs in excess of \$50 million in the last 2 years and have vigorously embraced a challenging commitment to a phased reduction to achieve significant reductions in the number of singlet bags issued, the increase in recycling of singlet bags, the increase in the recycled content of singlet bags, the introduction and increased consumer use of alternative re-usable bags and the heightened public awareness of the need to dispose of singlet bags in an environmentally responsible manner. These achievements have not been borne by all Australian retailers and there are substantial opportunities to leverage the benefits which the major retailers have achieved across the whole retail sector.

Through their actions, these major retailers have assisted in bringing about a significant change in consumer attitudes to the use of singlet bags via awareness campaigns and initiatives. Major retailers support a national approach to dealing with the issue of litter, and especially as it relates to singlet bags.

10 Points of Clarification

1. The problem identified by all government, industry and environment groups is the incidence of litter in the environment. The key objective of the original ARA Code was litter abatement and this is further identified in the 2002 Nolan ITU report. The ANRA is concerned that the focus has shifted away from the problem of litter and is focusing solely on reduction in the issue of singlet bags. The Nolan ITU Final Report, commissioned by the Federal Government, identifies that singlet bags only contribute 2.02% of the Australian litter stream. The activities undertaken by all stakeholders needs to target litter abatement.
2. ANRA members, in conjunction with the ARA and other retailers, entered into discussions with the Plastics Industry, NGO's and government, at federal and state level, via the EPHC sanctioned Plastic Bag Working Group in order to focus activities on reducing the issuance and increase the recycling of singlet bags in 2003. This voluntary agreement required signatory retailers to take action to

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reduce the issuance of singlet bags, educate customers on the usage of singlet bags, provide alternative bag types and where possible provide recycling facilities for customers to return after their use. ANRA members have expended more than \$50 million dollars in implementing these initiatives and the results have been outstanding.

3. ANRA members who were Group One retailers and other Group One Retailers, under the ARA Code, have contributed to achieving a reduction of 45% in singlet bags issued in December 2005 over December 2002. ANRA members collectively have been able to reduce the issuance of approximately 3 billion singlet bags; recycling rates have increased and many customers across the nation now have access to recycling facilities. ANRA members now contribute less than half of the singlet bags issued within Australia. They remain committed to the close management of bags at stores.
4. ANRA members have voluntarily agreed to take action to reduce the impact of singlet bags on the environment. Many of the other small to medium sized retailers and food service providers have done little to change their issuance of singlet bags. Government needs to do more to encourage similar voluntary programs for small and medium sized retailers to take action.
5. There are a number of manufacturers/wholesalers in the market with claims that they have degradable bags to offer. However there is no local and/or independent research or data that supports the claims of these organisations and certainly no data on the environmental impact of these bags. There is currently no Australian standard or Government policy position for either Degradable, Biodegradable or Compostable bags for use within Australia. ANRA members consider that biodegradable and compostable bags could present a significant opportunity for further reduction in the environmental impact of bags as litter. However, uniform national Standards need to be developed to ensure claims can be substantiated and to avoid duplication or wastage of investment in the assessment and possible trial of “degradable” type singlet bag alternatives.
6. There is currently very little research into the economic and community cost that would be imposed by a regulatory ban. Until such time as this type of research is available and understood it is too early to decide that a regulatory ban is the only solution. ANRA members believe that a regulatory mandatory total singlet bag ban is not a commercially realistic or environmentally effective method to control the incidence of singlet bags in the environment and would involve significant cost to consumers and taxpayers to implement, monitor & enforce. A ban or a levy places this significant cost burden on families and negatively impacts on retail workers occupational health and safety and store and customer health and hygiene, because they would have to manage a range of heavier, dirty or clumsy alternatives. Until such time that a proper Regulatory Impact Statement (RIS) process is completed it

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cannot be assumed that a phase-out or ban is the only environmentally effective, public health approved and commercially viable option. More rigorous research is required before any form of regulation is imposed.

7. The ANRA supports the examination of uniform national measures for options to curb the incidence of singlet bag litter in the environment. There would be a significant impost on retailers, particularly ANRA member organizations, if state or local governments were to impose regulation. Research will identify the best means by which to reduce litter in the environment.
8. ANRA members are committed to participating in solving the litter problem. This has been demonstrated by the activity undertaken by organisations to date and the results achieved in plastic bag issuance reduction. The ANRA and its members will work closely with key stakeholders to maintain and raise community awareness and encourage responsible bag use and disposal.
9. Whilst it is too early to identify a solution, a process of review and continuous environmental improvement has been adopted as the ANRA is prepared to continue activities to reduce the impact of singlet bag litter in the environment. Development will continue on alternative bag types that would satisfy customers, assist in achieving the desired environmental outcome and be commercially sustainable.
10. ANRA members will continue to work with Government and other key stakeholders to raise awareness targeted at reducing plastic bag litter.

The Way Forward

The Australian National Retailers Association (ANRA) members and other Group One Retailers maintain their support for an on-going program to achieve longer term litter reduction objectives set by the Federal & State Governments.

ANRA members are committed to work with Government to develop a Carry Bag Code which is based on the key Objectives of “continuous environmental improvement.”

END.