



Australian
Retailers
Association

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Department of Water and Environmental Regulation

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ARA response to *Implementing a lightweight single-use plastic bag ban in Western Australia* discussion paper.

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Introduction:

The Australian Retailers Association (ARA) offers support, information and representation to over 7,500 retailers across the nation, representing more than 50,000 shopfronts. The ARA ensures the long-term viability and position of the retail sector as a leading contributor to Australia's economy.


Members of the ARA include Australia's most trusted retailers, from the country's largest department stores and supermarkets, to specialty retail, electronics, food and convenience chains, to mum-and-dad operators.

Preserving Consumer Choice:

The ARA does not support the key feature of the proposed measures in Western Australia – a ban on retailers supplying 'single-use' lightweight plastic bags to customers. To that effect, the ARA favours voluntary measures which focus on assisting customers in making informed choices on their use of lightweight plastic shopping bags.

The ARA is open to working with the WA Government on a range of options including a Code of Conduct to reduce usage and promote alternatives.

The ARA's members are industry leaders in initiatives to promote the use of reusable bags in place of single-use plastic bags, and in the recycling of used lightweight plastic bags. Notwithstanding, the ARA does not support the introduction of measures which could



potentially deny consumers choice, or disadvantage low-income individuals or small businesses. Preserving consumer choice should be a key priority and is preferable to a legislative means of dictating to customers the type of bags they must use, and therefore, the costs that they must incur to do their weekly shopping.

While major supermarket chains have recently decided to phase out single-use plastic bags, many other retailers, including small and family-run convenience stores, continue to provide a range of options for consumers, allowing choice in the types of bags to carry groceries. Consumers who wish to do so, can purchase re-usable bags, which are available in various sizes and materials, including cold or freezer bags. Consumers are also provided with single-use plastic bags at no direct cost, should they prefer it.


Of note, the ARA submits that the term 'single-use' is somewhat misleading in describing the functionality of lightweight plastic shopping bags. The majority of lightweight shopping bags provided by retailers are also re-used as bin liners; in jurisdictions where lightweight shopping bags have been banned, bags are now purchased (either at cost to the consumer or to the retailer) and then used as bin liners.


Consumer Costs:

The ARA is concerned about the impact of rising costs for consumers at all levels, and this extends to the associated effects of banning plastic bags.

Alternatives to lightweight plastic bags do not carry a neutral cost impact. Alternatives to lightweight plastic bags, including heavier weighted bags, and woven fabric bags, are sourced by retailers at a greater cost. Larger retailers are able, through sheer market penetration, to pass on this cost to consumers through a price-per-bag model, which their customers will accept. However, most specialty retailers, low-cost retailers and small businesses do not have this option and may be forced to either absorb the costs or increase product prices. Some smaller supermarkets and convenience stores may be pressured to absorb increased costs to competition, which ultimately results in price increases, and costs to consumers and the economy.

The cost of purchasing reusable bags is an up-front cost, and not an ongoing cost which can be spread evenly across a year. This cost, inevitably, is passed on to the consumer one way or another, be it a price-per-bag model, or through price increases to product lines. Legislation which enforces the use of more expensive bags, therefore, has a disproportionate impact on low-income earners, who may not be able to afford sufficient reusable bags for their shopping needs when a ban is implemented.






Moreover, consumers who purchase re-usable bags may sometimes forget, or not be in a position to take these bags shopping. This increases the likelihood that consumers may be forced to purchase multiple of their average requirement of bags per year. At present, consumers may elect to use the currently available lightweight plastic bags for the occasional trip where they do not have reusable bags available. However, the proposal to ban these bags means that consumers will potentially be forced to re-purchase reusable bags, meaning an unnecessary cost burden.


Proposed Implementation Date:

The ARA supports a 1 July 2018 implementation date with the stipulation that small businesses have a longer transition period to run out old stock. We believe all major retailers are prepared and can remove bags by the 1 July date which should account for around 80 percent plus of the market. A move to allow more time for small businesses to run out old stock would not significantly affect the reduction in bags used but would allow small businesses to remove any old stock. The ARA suggests this should apply to small businesses as defined by the Australian Bureau of Statistics.

Small retailers buy their supplies in bulk and will not sell through this excess stock before 1 July. A total ban without a phase-out period will lead to significant costs for retailers and wasted resources. The ARA is also concerned that the absence of a phase-out period may result in some businesses dumping plastic bags or risk being non-compliant by continuing to supply lightweight bags until resources exhaust. Moreover, with lightweight bags due to be phased out by several major retailers come 1 July, a majority of lightweight bags will already be out of circulation. A phase-out period will allow small retailers to follow the lead of majors, and comply with legislation, after time to assess their alternatives and review guidance material from the Department.

The ARA submits that retailers will likely transition to the change by exhausting current resources before planning alternative options. Most convenience retailers, such as supermarkets, department stores, low-cost retailers, and convenience stores, may elect to provide multiple options to consumers, such as woven fabric bags, heavy-weighted plastic bags, calico shopping bags, and even paper bags. However, this will be dependent on the type of retailer and the product lines on offer. Most of these retailers will sell reusable bags, fabric or otherwise, at increased cost to the business and the consumer. Some retailers may opt not to provide their customers with shopping bags at all.





Consumers will also need time to adjust to a proposed ban on lightweight plastic bags. As mentioned, many consumers will forget to bring reusable bags on their shopping trips and may incur extra costs by being forced to re-purchase reusable bags time-and-again.

Possible Introduction and Education:

The ARA sees it as vital that educating consumers about a potential ban to lightweight plastic bags is not solely the responsibility of retailers. Retail staff should not bear the burden of the practical implications for consumers should information campaigns be limited or ineffective.

Supply to retailers of collateral to give to consumers may assist in offsetting the cost of implementing the ban. However, other communication channels are preferable, to provide clarity to consumers of what to expect, and when. **This should also clearly state to consumers that the decision to remove the supply of lightweight plastic bags is not a cost-cutting exercise initiated by the retail sector.**

The ARA would like to make clear the importance of allowing the supply of smaller lightweight plastic bags for food packaging, to mitigate health and safety issues. We note that the Government would find it impossible to find alternatives for food safety requirements for items such as bread, meat, poultry, fish, fresh produce, some dairy items, and other delicatessen-style foods.

The ARA is happy to work with the Western Australian Government and the Department of Water and Environmental Regulation to develop a Code of Conduct for Plastic Bags and advise on an education program to reduce the environmental impact of plastics.

The ARA will continue to support an education-based approach to phasing out plastic bags, rather than a legislative approach. Providing consumers with choice and information about the options available to them has already delivered positive outcomes for the environment, and major retailers remain committed to assisting their customers with this approach.

The ARA is grateful for the opportunity to represent retailers' concerns around this issue. If you would like to discuss the ARA's submission or related matters, please contact Heath Michael, ARA Director of Policy, Government and Corporate Relations, at

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Kind regards,



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