Dear Executive Secretary,

**RE: Submission to the INC Plastic Pollution Secretariat**

The National Retail Association (NRA) has prepared this submission in response to the INC Plastic Pollution Secretariat inquiry into plastic pollution.

The NRA agrees plastic pollution is detrimental and must be addressed, and this will be successfully achieved through collaboration between the whole supply chain and the government. Understanding the causes of plastic issues is critical to ensure unique and appropriate action is taken.

The National Retail Association (NRA) is Australia’s most representative retail industry association. We are a not-for-profit organisation representing over 60,000 outlets from every category of retail, including groceries, department stores, quick service restaurants, cafes, fashion, household goods, hardware, and specialty retail. We work with most national chains, independent franchises, and thousands of small businesses.

The NRA has unique and valuable insight to share as the leading industry expert in single-use plastic (SUP) bans across Australia. We have an unrivalled insight into the impacts on business and community organisations, from the impacts on national supply chains to the everyday impacts on small to medium businesses and charities.

Over the past 5 years, we have been engaged to assist governments with the practical implementation of legislation, delivering large-scale business education programs. Within the last 12 months, the NRA team have worked with 6 state governments (Western Australia, Australian Capital Territory, Queensland, New South Wales, South Australia and Victoria) and New Zealand government, to educate and support over 100,000 retailers, suppliers, charities, and community organisations impacted by single-use plastic bans.

Thank you for the opportunity to provide insights on behalf of industry and we look forward to working with you. For additional information, please contact me at d.stout@nra.net.au or at +61 409 926 066.

Kind regards,

David Stout  
Director of Policy  
National Retail Association
Key considerations

I) Impact on Industry

For many years retailers across Australia have been proactive in various environmental initiatives, investing heavily in innovation, increasing recycled content, promoting reusable and recyclable alternatives, funding in-store recycling programs and educating consumers about more sustainable choices. A small sample of the initiatives undertaken by industry include:

- Bag bans & voluntary actions to remove lightweight plastic shopping bags
- Container deposit schemes
- Carbon dioxide reduction and Net Zero commitments
- Commitment to National Packaging Targets
- Commitment to National Food Waste Strategy
- Textile product stewardship
- Battery recycling and product stewardship
- Waste and organics diversion projects
- Ethical sourcing and modern slavery commitments
- Phase-out of single-use, unnecessary and problematic plastics

The NRA emphasises that the retail industry is proactively involved in improving sustainability and has borne the burden of recent substantial regulatory and consumer behaviour change. The NRA submits that future actions should support, not restrict, current innovation and should employ a collaborative approach to ensure practical, long-term change is accomplished.

II) Health and food safety

Retailers and suppliers of food and beverage products must uphold the highest standards of food safety and injury prevention, as well as functionality, experience and viability, in their product packaging.

Food and beverage packaging have four critical purposes:

1. Protection: protect food and drinks from undesirable physical, chemical and biological changes.
2. Preservation: maintain the quality and freshness of food and drinks for a reasonable period in line with consumer expectations.
3. Containment: securing the product during display, transportation, storage at home and when being consumed (often not in one sitting); and
4. Communication: required information (labelling ingredients, allergens, barcodes) and marketing.

Industry argues that alternative materials are not fit for purpose to meet the four critical purposes of packaging.

Retailers and suppliers of food and beverage products are held to some of the world's most stringent requirements of food safety and injury prevention under the Food Standards Australia New Zealand (FSANZ) Food Standards Code. Many plastic food packaging items, in particular
barrier and produce bags, containers and lids and cup lids have been developed specifically to address these requirements, by maintaining food temperature (hot and cold), containing liquids and semi-solids, eliminating cross-contamination (including chemical contamination) and tamper-proofing food.

In particular, the FSANZ Code identifies several high-risk foods for which storage (temperature, avoiding cross-contamination) and safe handling (including packaging) is essential to prevent potential foodborne illnesses, including:

- raw and cooked meat/poultry or foods containing raw or cooked meat/poultry; for example, hot chickens, burgers, curries, kebabs, pâté and meat pies.
- foods containing eggs (cooked or raw), beans, nuts or other protein-rich food, for example, batter, mousse, quiche and tofu.
- dairy products and foods containing dairy products, for example, milk, dairy-based desserts, and bakery products filled with fresh cream or fresh custard.
- seafood (excluding live seafood) and foods containing seafood, for example, sushi.
- sprouted seeds, for example, beans and alfalfa.
- prepared fruits and vegetables, for example, cut melons, salads and unpasteurised juices, cooked rice and both fresh and cooked pasta; and
- foods that contain any of the above foods, for example, sandwiches, pizzas and rice rolls.

III) Food safety packaging failures

Evidence from industry testing and trials indicates that product alternatives made primarily from fibre or plastic-lined fibre for containers/lids, coffee cup lids, other hot/cold lids or produce/barrier bags, are unable to meet food safety requirements and would leave high-risk foods vulnerable to foodborne illnesses.

Fibre-based packaging items fail on multiple occasions and for multiple reasons, such as:

- failing to maintain required temperatures over time, including during display, third-party delivery, and transportation by a consumer or by the food business.
- leaking, deforming and breaking.
- not containing food effectively to prevent contamination.
- leaching and sticking, particularly when holding food for longer periods (greater than four hours);
- shortening shelf life and use-by dates of products due to lack of airtight and barrier properties.
- failing to provide controlled respiration.
- absorbing moisture and fibres breaking down.
- unable to maintain food integrity; and
- failing to provide transparent options for visual checks for allergens and food quality which is important for food safety.
IV) **Toxins common in fibre alternatives**

Indeed, the fibre alternative products, in addition to being unable to seal properly, often contain Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS), as an additive to help with structural integrity and moisture resistance but are increasingly being understood as dangerous chemicals. The Australian Government’s Environmental Health Standing Committee has recommended that human exposure to PFAS be limited wherever possible until the longer-term health implications are better understood. Moulded fibre packaging has been banned from compost streams in other jurisdictions such as NSW due to PFAS contamination. Given this, we believe that the moulded fibre options are unsuitable for food packaging products for longer-term consumption (anything other than immediate consumption, within 30 minutes), as the risk of PFAS leeching into the food increases with extended exposure.

V) **Contamination from reusables**

Although reusable cup use has been minimum (between 2% and 5% according to retailer data), retailers report that a significant proportion of reusable cups presented by customers have not been cleaned satisfactorily to ensure beverages can be supplied safely. We expect these concerns would be replicated more broadly if reusable containers were allowed or encouraged and businesses do not have the facilities or resources to sterilise reusable containers for customers, increasing the risk of foodborne illness.

As it currently stands, there is no food-safe alternative allowed for cup lids (coffee/hot/cold), containers requiring an airtight/watertight seal, or produce and barrier bags.

VI) **Public safety**

Public safety implications are also an important consideration in the regulation of packaging items to prevent serious injury.

For example, many products require a watertight or airtight seal for the critical safety of consumers and workers, to prevent spills, burns and slip risks. Alternative materials for coffee cups/lids, cold cups/lids, bowls/lids and containers/lids are simply unable to achieve effective seals in the way that existing plastic-based products can, and we believe this will lead to increased injury. Members of industry have reported internal product testing for alternatives and report that lids easily rotate, tilt or fall off without any force – and are unfit for purpose.

VII) **Impacts to healthier food options**

Any proposed changes to food packaging will impact their ability to meet food safety standards in the fresh foods they produce, store and supply onsite. These industries also operate under fine margins that result in a high sensitivity to cost increases.

Feedback from these industries suggests the lack of fit-for-purpose options and increases in packaging costs will force many businesses and organisations to revert to pre-packaged, long-life options which tend to be more processed and include more preservatives, reducing the options for consumers to eat healthier out-of-home and meet their nutritional requirements.

This broader shift towards pre-packaged food will have broader economic implications, including the flow-on impact on local jobs required for food preparation and packaging and in retail as some retailers will choose to close food preparation departments.
VIII) Health and safety concerns summary

For takeaway coffee cup lids, cold and hot cup lids, takeaway food containers and bowl lids or produce and barrier bags, the challenges cannot be overcome with timing to allow for product innovation. Food safety, which should be the utmost priority, simply cannot be met under the proposal and health and safety issues will be created.

Plastic pollution and contributors to plastic pollution

I) Microplastics and ocean plastics

Australia’s food, beverage and grocery manufacturers, like the community and government, understand the impact that plastic and packaging can have on land and marine environments when disposed of in an irresponsible manner.

In Australia, both the sector and government have committed to increasing the recycling rate and recyclability of product packaging through the 2025 National Packaging Targets and the Australian Food and Grocery Council is developing a product stewardship scheme for plastic packaging: the National Plastic Recycling Scheme, with the support of Australian Government funding. This is an important demonstration of Australian industry’s commitment to voluntary action on soft plastic packaging recycling.

We recognise that ocean litter arises from land-based coastal and land-based inland areas as well as from sea sources. A better understanding of the nature and extent of sources of marine litter will help inform appropriate global strategies for preventing and minimising marine litter, including cooperative measures undertaken with our neighbours in the Pacific and Southeast Asia.

Addressing the collection of waste and increasing recycling rates will reduce litter and marine litter. Other sources of marine litter include abandoned or lost fishing gear including nets and other materials either dumped or lost by shipping vessels.

Where feasible, we recommend collection services include both general waste and recycling bins in order to increase the recovery of clean recycled packaging materials. Increased public place general waste and recycling bins in highway rest areas, car parks, shopping centres and industrial precincts would assist to prevent litter from entering the environment.

To minimise litter entering the marine environment, it is critical to educate the general public through a renewed education campaign, supported by an increase in both public place collection infrastructure adjacent to waterways, and collection services to assist in preventing litter from entering stormwater systems that lead to waterways.
II) Low circularity of plastic

As plastic pollution is a global issue, global traceability standards need to be embedded in all sectors of the supply chain to ensure the flow of plastics is visible with no blind spots.

As independent reports have indicated most ocean plastics have origins in several international river systems, which until recently have been the destination for plastic recycling, we recommend traceability of material along the entire supply chain as a prerequisite to creating a circular economy and reducing marine litter.

Plastic pollution is intertwined with three issues: sustainable packaging design, littering, and Australia’s waste management including recovery and recycling.

We recommend the creation of national minimum material quality standards for each transaction point along the supply chain to maximise the quality, yield and value of recyclate. These standards would apply to inbound and outbound MRF quality standards as referred to in the National Waste Policy Action Plan item 3.7.

Quality standards need to be set in reverse sequence along the supply chain to maximise quality and enable circularity including inbound material quality standards by resin, paper/board and glass for resin producers, inbound secondary processors/outbound MRF quality standards (to enable improved MRF’s design), national kerbside acceptance standards & bin systems and product design standards for problematic packaging.

VII) Product design

For brand owners to invest in new packaging design, including new packaging plant and equipment they require long-term assurance that new packaging will be acceptable nationwide or alternatively, that the currently deemed ‘non-recyclable’ item will not be deemed ‘recyclable’ soon due to technological advances. Brand owners’ investment would increase if national inbound and outbound MRF quality standards were adopted rather than the current council-by-council approach.

IV) Kerbside recycling

The lack of consistency of accepted recyclable packaging between councils creates community confusion and impedes brand owners from designing packaging to a nationally agreed standard. It also hinders MRF operators in optimising MRF design to maximise material recovery and quality. (Note: the introduction of the PREP Tool and the Australasian Recycling Label is a proactive step to minimise the impacts of this variation. To increase the yield, quality and value of recycling materials, it is necessary to reduce kerbside contamination.

The implementation of the Australasian Recycling Label (ARL) will assist in reducing community confusion. Recycling labelling can only be accurate in all Australian homes if a nationally aligned kerbside collection system is adopted.

International recycling standards between Australasia and Europe as an example will encourage governments to implement national resolutions for kerbside recycling.
V) Compostability issues

To our knowledge, all plastic or bioplastic-lined paper cups, bowls, containers and lids available in Australia only achieve industrial composting certification, not home compostability. This means that they do not biodegrade if littered and have the same potential for harm to wildlife as other plastics. These bioplastics also contaminate existing recycling and container deposit schemes.

Industry is concerned that most consumers incorrectly believe that all ‘plant-based’ or compostable plastics are harmless in the environment and littering could increase. The United Nations Environment Programme (UNEP) Biodegradable Plastics and Marine Litter (2015) states that widespread use of bio-based polymers “is likely to lead to continuing littering problems and undesirable impacts”.

Indiscriminate bans on food containers and lidded bowls will encourage more use of compostable plastics as these are the only disposable, liquid-resistant alternatives available. More needs to be done to dispel dangerous myths, educate the public on the waste hierarchy and circular economy principles, and address confusing product and disposal descriptions.

VI) Container Deposit Schemes

It is critical to introduce a nationally harmonised Resource Recovery Framework. This can also apply more broadly across Australasia, the EU and other jurisdictions.

Strong product stewardship schemes do result in significant litter reduction, e.g. in New South Wales where “Since it started in 2017, more than eight billion containers have been returned, delivering $800 million in refunds to the people of NSW. NSW drink container litter has also been reduced by a massive 52 per cent.”

In order to drive plastic waste out of the environment and into recovered outcomes, we need strong markets for this material. Part of this will be to look at minimum targets for recycled content in packaging, as suggested in the Australian National Packaging Targets, which are currently voluntary but must be made mandatory (as done in Europe), in order to create a level playing field for industry.

Preparing industry and business for change

The minimum timeframe for changes to retail products or packaging is usually between 9 to 15 months as it typically includes: research, design, testing, manufacture, shipping, distribution, retraining, promotion and exhausting old stock to prevent disposal. The timeframes also assume the required volume of materials to produce the item is available and does not include the time taken to receive Australian composting certification (average 12 months).

Manufacturers need even more notice (usually 6 to 12 months before retailers) as they must develop, test and manufacture stock before retailers can place orders.
The lingering impacts of COVID-19, supply chain delays, packaging transition timeframes, alternatives availability, testing and certification delays cannot be understated. Retail businesses and suppliers are facing significant economic pressures and frustrating delays.

In our experience, inadequate notice and timeframes also lead to less sustainable decisions, supply shortages, increased risk of non-compliance, increased belief in environmental claims at face value, and lower consideration of reusable systems as businesses feel overwhelmed and rushed.

**Conclusion**

Industry supports strong international collaboration with existing national plastic reduction plans and timelines, including the priorities of the Australian Federal Governments National Plastics Plan.

Industry also encourages the international community to seek consistency between a coalition in definitions to ensure that regulations are consistent across the Australian, New Zealand and Australasian markets, to limit the impacts on small businesses.

That is, we urge the government to prioritise support for market-driven and community-led solutions, rather than relying on blunt enforcement instruments which will reduce consumer choice and drive up the price of food and goods for citizens across Australasia and New Zealand.

**About the submitters**

**About the National Retail Association**

The NRA is Australia’s most representative retail industry association. We are a not-for-profit organisation based in Brisbane which represents over 60,000 outlets from every category of retail, including fashion, groceries, department stores, household goods, hardware, fast food, cafes, and services. We work with most national chains, franchises, and thousands of small businesses.

The NRA helps retail businesses succeed and grow within an ever-changing regulatory environment. A significant part of what we do is ensuring our member businesses comply with regulations and mandatory standards. We have a proven track record of working extensively with all levels of government to inform the industry on emerging issues.