

WOOLWORTHS GROUP



18 December 2019

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

By email: ec.sen@aph.gov.au

Product Stewardship Amendment (Packaging and Plastics) Bill 2019

Dear Sir/Madam

Woolworths Group welcomes the opportunity to provide a submission in relation to the proposed *Product Stewardship Amendment (Packaging and Plastics) Bill 2019 (the Bill)*.

Woolworths is Australia's largest retailer and private sector employer, employing over 180,000 Australians. We operate over 2700 physical retail stores and 14 distribution centres across our supermarket, Big W, BWS and Dan Murphy's brands.

We strongly support political and industry efforts to reduce the use of unnecessary plastic, boost the Australian recycling industry and encourage Australians to recycle. We were the first major supermarket chain to eliminate single-use plastic bags and the sale of plastic straws from our stores nationwide, and we continue to work with our suppliers on reducing plastic across our product range while at the same time maintaining convenience and value for our customers.

While we acknowledge that the Bill has been developed with good intentions, we believe it is premature for the Bill to become law at this time. Instead, current initiatives by the Commonwealth, State and Territory governments and industry should be allowed time to work.

In the highly competitive and fast-moving retail sector, industry participants have finite resources. Additional legislative requirements will necessarily divert attention and funds from initiatives that are already under way.

Australian Packaging Covenant Organisation

Woolworths is a member of the Australian Packaging Covenant Organisation (APCO) and has aligned with the APCO packaging targets: we have committed that 100 per cent of all own-brand packaging will be reusable, recyclable or compostable by 2025.

We believe the current APCO process is working, and we are confident of meeting our packaging commitments.

Given this, we are not in favour of a mandatory Government-led scheme that will add considerable administrative, reporting and other costs that in turn feed their way into consumer prices.

A Woolworths Group Limited

ABN 88 000 014 675

1 Woolworths Way

Bella Vista, NSW 2153

P +61 2 8885 0000

W woolworthsgroup.com.au

Reduction of plastic

Reducing the quantity of plastic used in packaging and single-use items is a continuing process, and we have already made significant progress.

We have removed around 1000 tonnes of plastic packaging from our products since 2018 and continue to work with our suppliers on further reductions. However it is important to recognise that in some cases there are not yet suitable alternatives to all plastic packaging. Soft plastic can be a very efficient packaging material: it offers barrier properties that protect products and maintains freshness, is light and compact for transport, and packs down small for disposal. Should future developments offer an alternative material that is better for the environment and can be recycled or reused, we would strongly consider adopting it.

Food waste has a significant environmental impact and can have a higher environmental impact – including on carbon dioxide emissions – than the use of plastic packaging. Plastic packaging plays a key role in protecting the quality and extending the shelf life of fruit and vegetables as they are transported from the farm, to the store and to our customers. For example, a plastic wrapped continental cucumber lasts three times longer than an unwrapped continental cucumber. The plastic also helps to prevent dehydration and physical damage to the cucumber in transit from the supplier to the customer - keeping the cucumber fresh longer.

As noted above, in June 2018 we removed single use plastic carrier bags from distribution in our store network. This led to a **93% fall in the quantity of plastic bags** being annually distributed by Woolworths supermarkets across the country.

Woolworths is cognisant that our diverse customer base has varying needs and shopping patterns. Consequently, we offer a number of alternative bag options.

- Our entry-level supermarket bag is the 15c reusable 55 micron low-density polyethylene (**LDPE**) plastic bag. This bag contains at least **80% post-consumer recycled content**, is certified by Good Environmental Choice Australia (GECA) and designed for multiple re-use by customers.
- We also sell a 99c 'Bag for Good', made from non-woven polypropylene. This heavy duty bag is also designed for multiple re-use. Customers only need to purchase this bag once, as it will be replaced for free should it become damaged or soiled. The returned bag is then recycled.

Any money we make from the sale of this bag is used for good causes: it currently funds the Woolworths Junior Landcare grants programme, which encourages young people to play an active role in sustainability. Across the two rounds to date, we have awarded grants to fund 1155 projects at schools across Australia.

- Other options include a 99c foldable bag and a \$2.49 chiller bag. Both of these are also designed for multiple re-use.

Kerbside organic collection

One of the most effective measures governments could take to reduce the quantity of waste to landfill is the implementation of kerbside FOGO (Food Organics, Garden Organics) collection throughout Australia. To our knowledge, only the Adelaide metropolitan area has consistently implemented FOGO, although we note that several Perth councils are in the process of doing so.

We note that the Bill exempts from bans plastic products made from compostable materials. Compostable solutions will be an important part of the product mix into the future. However, the widespread adoption of compostable packaging and products is only feasible when consumers have access to facilities such as kerbside organic bins to properly dispose of these items and there are adequate commercial composting facilities to process the items.

Harmonisation of existing measures

It is expected that in 2020 there will be legislated bans on certain single-use plastic products in South Australia, Queensland and the ACT. Separate container deposit schemes are already operating in SA, the NT, the ACT, QLD and NSW.

Rather than introduce an additional product stewardship regime, we suggest that the Commonwealth Parliament work with other jurisdictions on harmonising environmental measures. Closer alignment between jurisdictions is important if we are to achieve efficient, effective and timely outcomes for waste management and recycling that do not place undue cost pressures on consumers.

Boosting recycling

We recognise our responsibility to help our customers recycle. All Woolworths supermarkets have a prominent RedCycle bin for customers to recycle their soft plastics. Nationally since January 2019, our customers have returned over 872 tonnes of soft plastics through the RedCycle program.

While there is a demonstrated willingness of customers and business to recycle soft plastic products, we believe that more needs to be done to build the end market for products made from recycled soft plastic content. Goods made from recycled soft plastics are generally more expensive than those made from other material. We support Commonwealth Government moves to incentivise end markets for products made from soft plastics such as municipal furniture and road base.

Woolworths Group appreciates the opportunity to contribute to this consultation and would welcome the opportunity to provide input to future plans in this area.

Yours sincerely

Paul Crossley
Government Relations Manager
Woolworths Group Limited