

26th October, 2012

Senate Standing Committee on Environment and Communications
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Parliament House
Canberra ACT 2600
Australia



**Australian National
Retailers Association**

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Dear Senator Birmingham,

Re: Inquiry into SA and NT Container Deposit Schemes

I write on behalf of the Australian National Retailers Association (ANRA) regarding the Committee's inquiry into the operation of container deposit schemes (CDS) in South Australia (SA) and the Northern Territory (NT).

ANRA was established in 2006 to represent the interests of Australia's leading national retailers, across the full spectrum of retail goods and services – including household names in supermarkets, like Coles and Woolworths, department stores and specialty retail. The members of ANRA collectively employ around 500,000 Australians, or roughly 40% of the retail workforce and four percent of the Australian workforce. Approximately 100,000 of these employees are located in regional and rural Australia.

Retailers' primary function in the beverage supply chain is to source and sell beverage products demanded by retail customers. As a result, retailers are not in a position to comment on CDS cost structures, deposit administration or treatment of unused handling and transport fees. ANRA acknowledges that Australia's major supermarket retailers – Coles and Woolworths – are brand owners of private label beverage products and therefore in a similar position to beverage product manufacturers in the sense that this gives rise to certain liabilities under the SA and NT CDS legislation. However, ANRA's supermarket members engage their private label beverage product manufacturers to satisfy any CDS obligations they may have as a brand owner.

Furthermore, ANRA's supermarket members do not operate as beverage container collection depots – they do not currently accept delivery of empty beverage containers on any scale and therefore are also not involved in the payment of container deposit refunds.

Indeed, there is clear separation between the responsibility of beverage manufacturers and suppliers to the major supermarkets – including for private label products – and those of the supermarket retailers themselves with respect to CDS.

ANRA is therefore not in a position to provide comment on the first three terms of reference for the Committee's inquiry, namely:

- a. management of the operation of container deposit schemes in South Australia and the Northern Territory;
- b. the cost structure of the beverage industry's involvement in these container deposit schemes;
- c. the use of unredeemed deposits and unused handling and transport fees;

I note that ANRA's members do have a role to fulfil with respect to compliance with the labelling requirements on eligible beverage containers. Our members have robust programs in place to ensure the eligible beverage products sold in their stores are compliant with local, State and Federal laws – including those required by CDS legislation and the Food Standards Code, amongst others.

ANRA's preferred approach to product stewardship of consumer packaging

ANRA and many of its members are active participants in the Australian Packaging Covenant (APC). The APC is a joint government, community and industry partnership that focuses its efforts on reducing the environmental impacts of consumer packaging by promoting responsible resource use and recovery through various product stewardship initiatives. ANRA sits on the Australian Packaging Covenant Council (APCC) and is part of the National Packaging Covenant Industry Association (NPCIA), which represents the interests of industry signatories to the APC.

ANRA believes the APC represents the most appropriate (co)regulatory mechanism for consumer packaging product stewardship in Australia, including for beverage containers. I note that transitioning the current APC under the *Product Stewardship Act* achieved the highest expected net benefit to the Australian economy of all the options considered in the COAG Standing Council on Environment and Water *Packaging Impacts Consultation Regulation Impact Statement*.¹

The national approach of the APC helps reduce compliance costs for national operators, including ANRA members, and is vastly preferable to individual state-based approaches such as the existing CDS. The APC's established funding and administrative frameworks also allows for a consistent approach towards encouraging responsible product stewardship that may address beverage container waste management challenges within broader consumer packaging product stewardship efforts. ANRA believes this is far more appropriate than state-based CDSs that focus on a single type of packaging only.

Thank you for considering ANRA's views on this matter.

Sincerely,

Margy Osmond
Chief Executive

¹ December (2011).