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Working for South Australia



Business SA submission: Turning the tide on single-use plastic products.

February 2019

Executive Summary

- While requiring more detail, Business SA is broadly supportive of measures to either ban or limit single-use plastics as part of ongoing efforts to clean up our environment.
- As a first step, further communication and education should be established about what recycled plastic gets used for, which will encourage businesses and individuals to stop putting recycled and recyclable plastics into general rubbish bins, and eventually into landfill.
- Business SA calls upon the State Government to develop a sensible transition plan in consultation with the business community, recognising the time and cost it will take to move away from single-use plastics. Any transition will have to be nuanced to factor in the necessity for some single-use plastics in certain industries, particularly healthcare, or for health and safety reasons e.g. where food freshness is required.
- The vast majority of respondents agree that single-use plastics are causing environmental problems, particularly for our oceans and marine life.
- Government must be mindful that businesses already face high costs (especially in the areas of taxation and energy) and other administrative burdens. While support is there for action to combat single-use plastics, any Government intervention needs to acknowledge such barriers.
- South Australia has historically been a leader in the recycling and waste reduction fields, being the first jurisdiction to introduce a container deposit scheme and ban checkout-style shopping bags.
- As part of the transition to a circular economy, the European experience provides valuable insight into how to effectively manage that transition in consultation with manufacturers and recyclers.
- Business SA's submission is informed by our member survey which had 141 respondents.

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Introduction

Business SA, South Australia's Chamber of Commerce and Industry, was formed in 1839 and has approximately 3,200 members across a wide range of industry sectors, from micro businesses right through to listed companies. We are a not-for-profit business membership organisation which not only works on behalf of members, but for the broader business community and in pursuit of economic prosperity for both South Australia and the nation. Business SA is also a founding member of the Australian Chamber of Commerce and Industry (ACCI) and on national issues, we work through ACCI to advance the interests of businesses across the nation.

The prevalence and use of plastic has recently attracted significant media attention. From the ABC's *War on Waste* program highlighting domestic waste, to Sir David Attenborough's *Blue Planet II* examining pollution in our oceans, the issue of plastic waste has become an important part of the wider conversation around climate change and sustainability.

South Australia has consistently led the nation on recycling; in 1977, we were the first jurisdiction to introduce a container deposit scheme, a full 35 years before the Northern Territory. In 2004, the Parliament established Green Industries SA (GISA), formerly Zero Waste SA, to reduce the amount of waste going to landfill and to enhance the state's recycling capabilities. Furthermore, we were the first state to ban lightweight, single-use shopping bags in 2009, resulting in some 400 million fewer plastic bags in South Australia.¹ This puts South Australia in a unique position to be ahead of the curve (in Australia, at least) on transitioning to a circular economy, and reducing the use of single-use plastics. As Business SA CEO Nigel McBride recently said in a news article, "it is a small inconvenience when you look at the pay-off to our economy and to tourism. We all need to accept a little inconvenience, not only so that we can live in a city that we're proud of, but so that we can benefit from having a clean, green environment."²

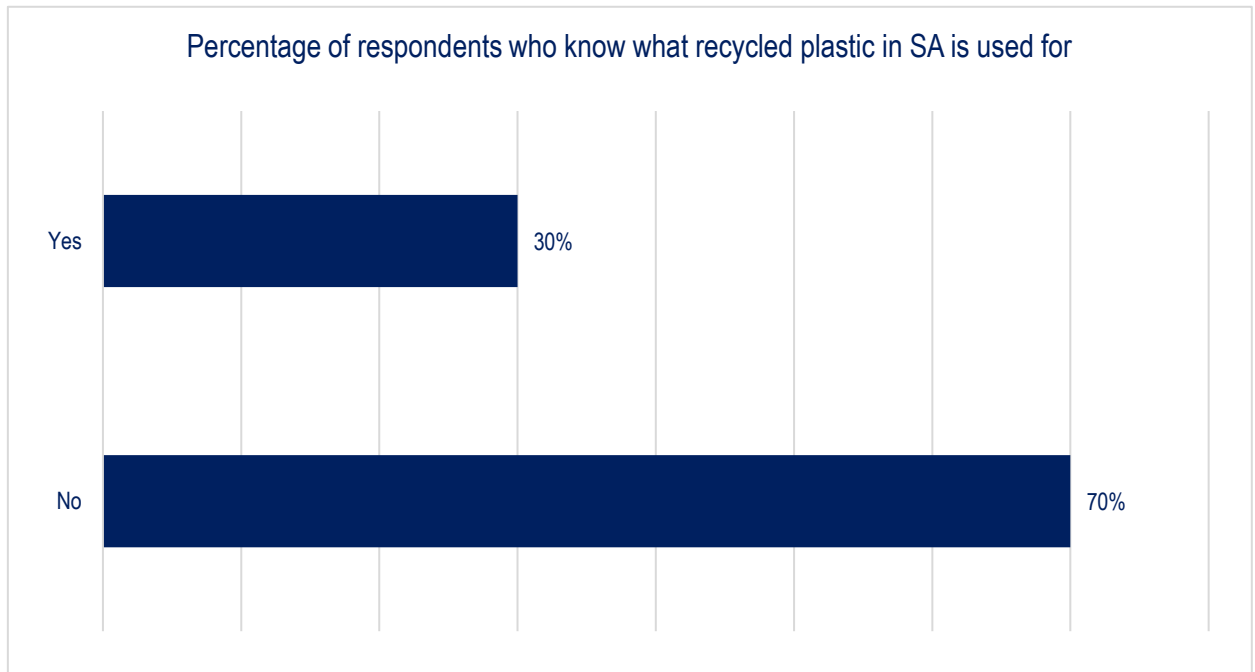
In support of this submission, Business SA published a survey on single-use plastics. Questions were largely derived from GISA's discussion paper *Turning the tide on single-use plastic products*, with others of our own posed to ascertain a deeper understanding of our members' perspectives on the matter. At the close of the survey, we received 141 responses. Respondents come from all industry sectors, with the top five sectors (by percentage of respondents) being:

1. Manufacturing – 19%
2. Agriculture – 11%
3. Accommodation & Food Retail – 11%
4. Health & Community Services – 9%
5. Construction – 8%

¹ https://www.epa.sa.gov.au/data_and_publications/all_publications/for_councils/plastic_bag_ban

² Lauren Novak, "Business, environment groups react to South Australian Government push to ban single-use plastic." *The Advertiser*, 13/01/19. <https://www.adelaidenow.com.au/news/south-australia/business-environment-groups-react-to-south-australian-government-push-to-ban-singleuse-plastic/news-story/52ecdf120ff86731aab62b82604babc>

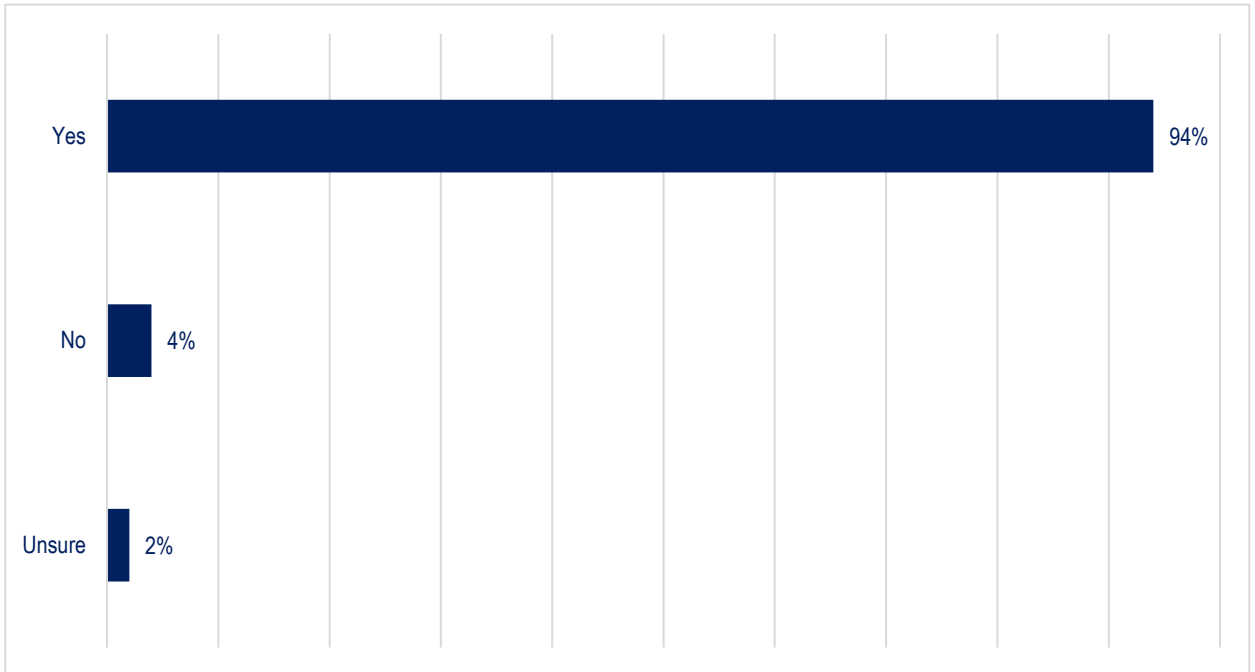
Are you aware of what plastic collected for recycling in South Australia gets used for?



A clear majority of respondents do not know what happens to plastic after it goes in the recycling bin. This is where better information and communication about the recycling process could encourage businesses (and individuals) to do more to stop recyclable plastics going into landfill. While some respondents identified that recycled plastic is used to make items such as playground equipment, garden furniture, wood replacement products and PET bottles (via the Container Deposit Scheme (CDS)), most identify a general lack of public awareness. *'Improved communications on how plastic is recycled would hopefully increase recycling efforts by industry & users of single-use plastic. A good news story!'* (Mining company). *'I think we should know what happens to our recycling because some people believe that it all goes to landfill, so what's the point in recycling, which is not the right attitude. Showing people where it goes and what happens to it will help people change their attitudes and behaviour'* (Manufacturing company).

Further information about recycled plastic products may result in more businesses purchasing them. Our survey found that 61% of respondents either do not knowingly or deliberately purchase recycled plastic products or were unsure if they did. *'We buy on a balance of price and quality. Generally, recycled products suffer on both counts'* (Accommodation/food retail company). *'This (purchasing recycled plastic products) is the first preference, but it is a limited market'* (Agribusiness). However, it is encouraging to see that 39% of respondents do knowingly/deliberately purchase recycled plastic items and are implementing measures to phase out single-use items. *'We have phased out use of single-use foam/plastic cups and plastic spoons. We were creating a lot of waste – purchasing ceramic cups and metal spoons has reduced our rubbish by several bags a week and the process is now saving us money'* (Education/training company).

Do you believe single-use plastics cause environmental problems?



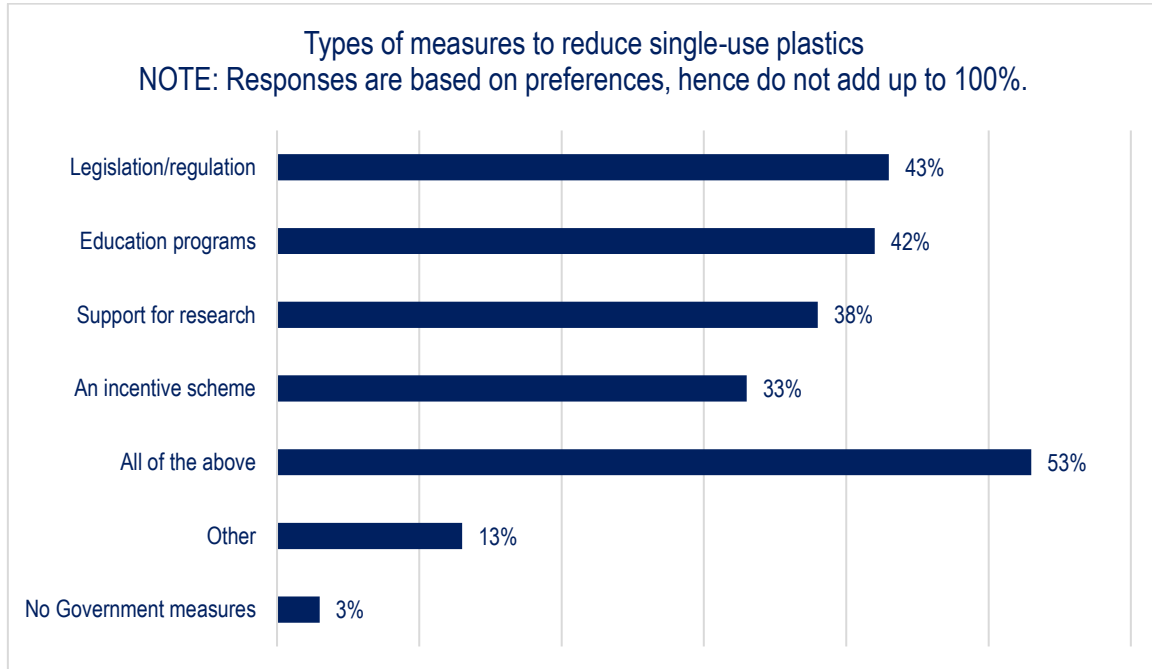
Only eight of the 141 respondents either did not believe or are unsure that single-use plastics are causing environmental problems. Television programs such as *War on Waste* and *Blue Planet II*, among other initiatives, have helped illustrate the impact of single-use plastics on animals, the world's oceans and on the broader environment. Awareness of the problem is strongly reflected in additional comments provided by respondents. Some examples include:

'Apart from just being unsightly, the larger plastics are damaging. Biodegradable plastics, whilst getting smaller, remain a contaminant. Alternatives exist so we should return to those where needed and get rid of unnecessary items – not everyone needs a straw or a lid on their coffee; make it an opt-in. Stop putting plastic on fruit and vegetables, paper packaging will work' (Professional, scientific and technical services company).

'The photographic evidence from around the world shows plastic products are making their way into waterways and the sea. This is damaging seabeds, harming sea creatures and breaking down into microplastics' (Cultural & recreational services company).

In South Australia, increased plastic in the oceans, which fish then eat, poses a threat to the state's fishing industry and our projected image of being a provider of high-end, world-leading fresh produce. The concern about plastic going into our oceans and rivers is backed up by 81% of survey respondents identifying it as the most-important problem associated with single-use plastics which needs addressing, followed by animals ingesting plastic (68%), a lack of recycling systems in place including collection, recycling technology and a market for recycled goods (61%), and large plastic items degrading into microplastics (56%).

Do you think the South Australian Government should introduce measures to reduce single-use plastics? If so, what should those be?



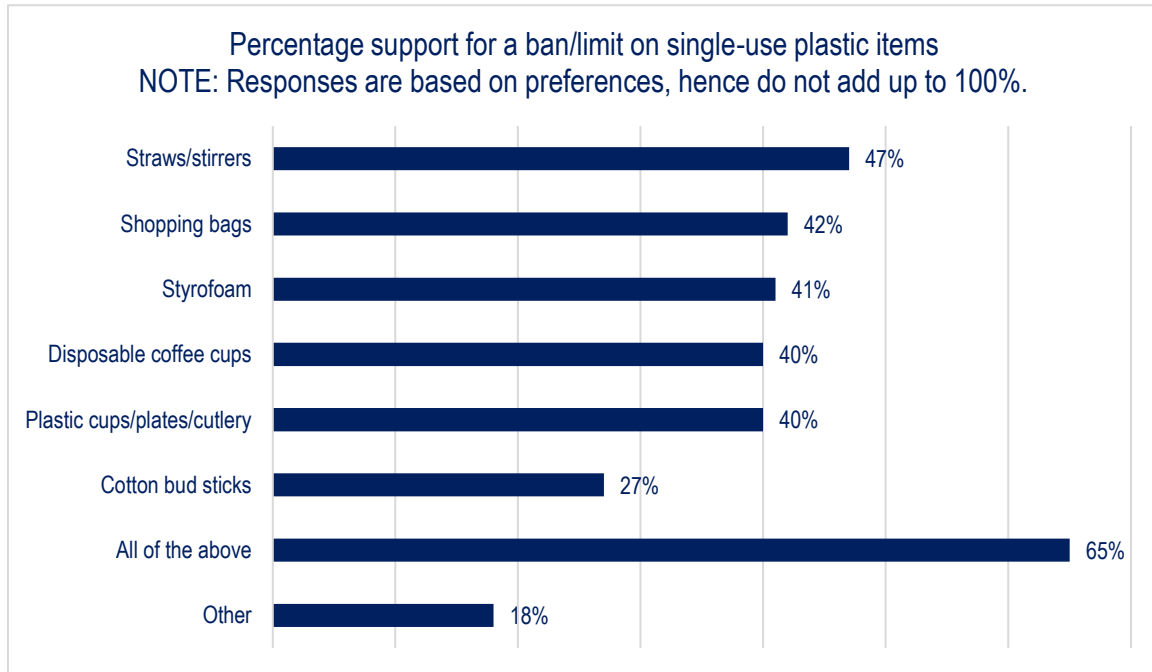
Based on these response, Business SA recommends a holistic approach to reduce single-use plastics, combining regulation with education, support for research which may be commercialised, and some kind of incentive scheme (which could operate similarly to the CDS). Removing the option for 'all of the above' shows that legislation/regulation is the most-supported option, closely followed by education programs.

Other options mentioned by respondents include a total ban on single-use plastics, switching to paper-based alternatives wherever possible, and incentives for local government to use recycled products instead of timber-based products.

Many businesses reported that a partnership between businesses and government would be an effective means of dealing with the issue. *'Government should support businesses to create alternatives – as a food retailer, I want to use non-plastic items but sometimes struggle to source these'* (Food retail company). *'If the government invests in education programs to inform businesses of solutions to how they can reduce their plastics, I think businesses will take it upon themselves to do it without any incentives'* (Government organisation).

A significant majority of members (77%) also support extending the ban on lightweight shopping bags to the thicker bags available at major supermarkets for 15c. While recognising customers will require a fall-back option, and that a lot of people do re-use these thicker bags, alternatives are available that would remove the need for these bags.

If the South Australian Government introduces measures to ban or limit some single-use plastics, what products should be targeted as a priority?

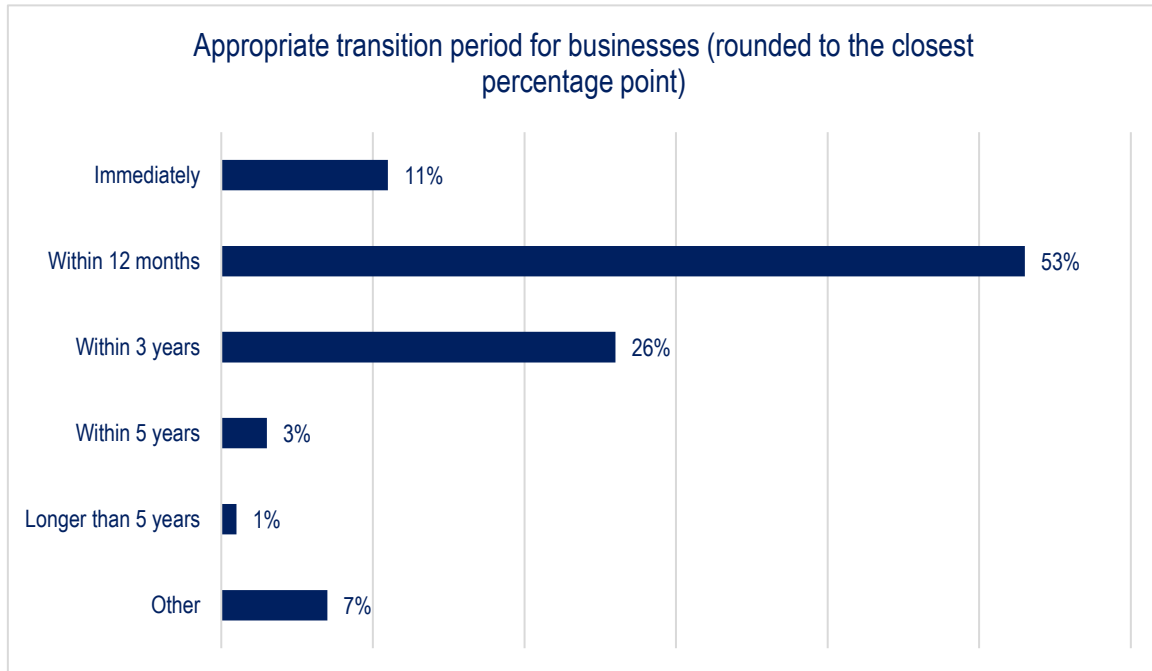


While businesses clearly support limiting or banning certain single-use plastics, the data shows that respondents are least aware of cotton bud sticks being an environmental problem. Other items which people see and/or use every day, such as straws, shopping bags, Styrofoam and coffee cups, are more-favoured options for government measures.

Respondents who selected 'other' suggested limits or bans on items such as food packaging (particularly single serve snack packaging and fruit & veg packaging), industrial plastic wraps, and blister packaging. Others also advocate for making the items identified in the table above biodegradable. *'Limit, not ban the other items. All of these products have a use, but we have previously used degradable paper straws, cardboard cotton bud sticks, etc.'* (Health & Community Services company)

Many respondents to our survey question why wet wipes, nappies and microplastics are not being included for consideration. However, many others also acknowledge that single-use plastics are necessary in the health industry, and even in the disabilities/aged care sectors, particularly hygiene products and sterile packed surgical items. Any measures undertaken by Government should take this into consideration, especially as we manage an ageing population and growth in the disability and aged care sectors over time. *'Health industry items and personal hygiene items where there is no substitute (should be exempt). Microplastics should not be exempt as they are a significant problem. Wet wipes are merely convenient and not necessary, and are clearly a problem, especially in wastewater systems'* (Government organisation). *'Hygiene products as well as disability and aged care products should be allowed. Single-use plastic straws are essential for the hydration of the very sick, aged and infirm'* (Accommodation and/or food retail company).

What would be the appropriate length of time to allow businesses to transition away from limited and/or banned single-use plastics?

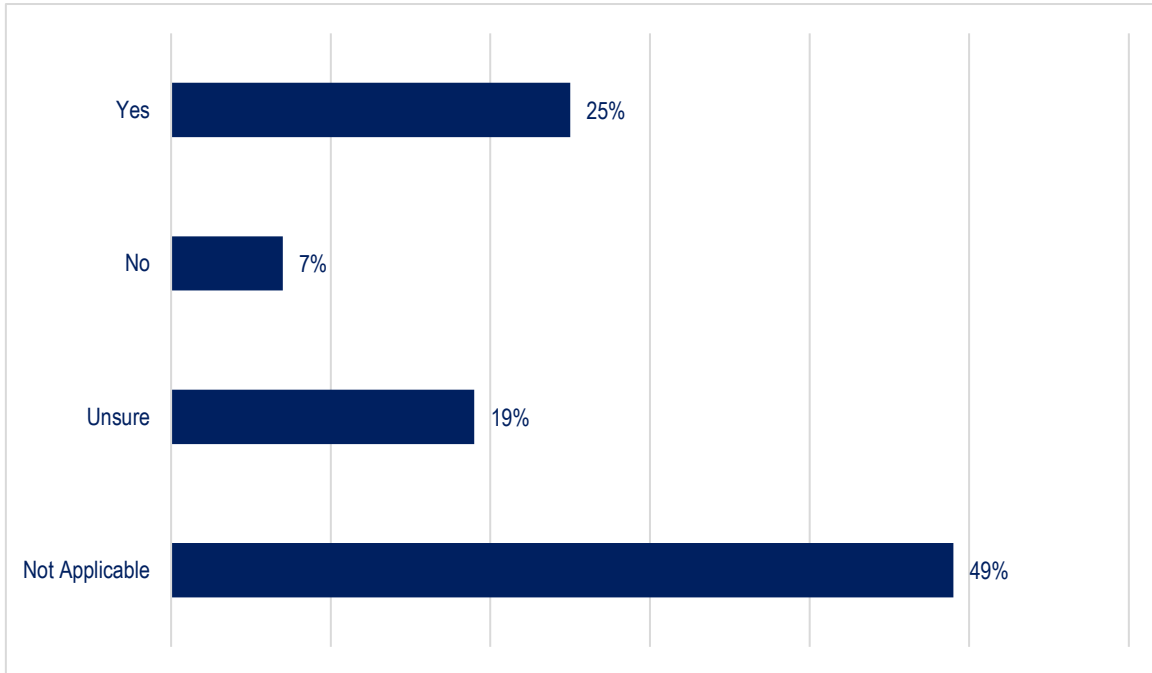


Businesses have a majority support for a 12 month transition time to use other non-plastic products. Taking in other options into consideration shows that 90% support transitioning away from single-use plastics within three years. Respondents who selected 'Other' offered alternative timeframes such as three months, or variants of a three year timeframe.

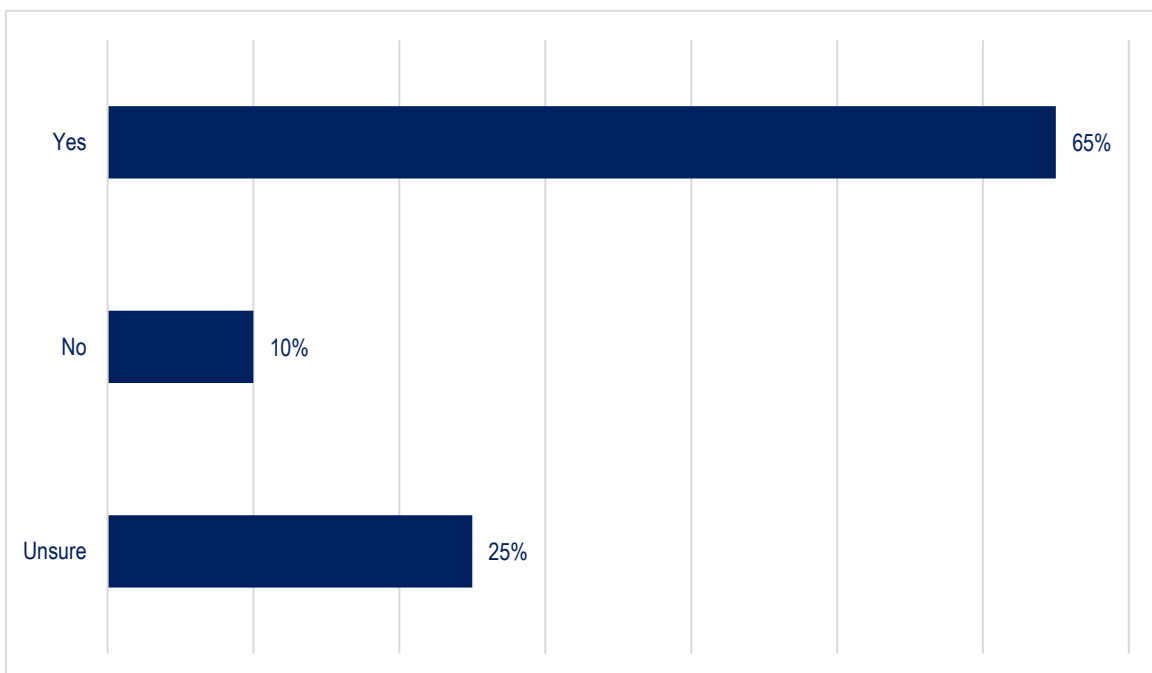
Many businesses are conscious of the need to modify/alter supply chains, to factor in stock businesses already have, the cost/availability of alternatives, and the impact on small businesses as well as the disability sector. *'The problem is urgent, but some lead time is clearly needed. There are overseas precedents which can speed changeover. Mandated time would follow inevitable discussion and legislative process therefore giving effectively more opportunity for businesses to plan and implement'* (Government organisation). *'There should be exemptions or longer phase out (with consultation) for the disability sector and those with legitimate special needs'* (Personal services company). *'A scheme should be implemented to reimburse businesses who have already purchased single-use plastic items above a certain financial amount, perhaps relative to the business size'* (Cultural & recreational services company).

While some respondents recognise that alternative products already exist (such as metal straws, biodegradable bags and wooden cutlery), any Government plan to transition to widespread use of such products should take into consideration the additional financial costs of using such items compared to plastic. One manufacturing company who responded to our survey predicts that the cost to transition away from single-use plastics will be approximately 15% of their revenue. Retailers which sell or provide single-use plastics note that alternative products come at a higher cost and will impact some more than others. *'For us, the impact would be financial. We have been researching and trialling home compostable packaging for the past two years; these products are three times the cost of our current materials'* (Agribusiness). *'Cost. Usually, these products are more expensive. Also, you need to set up bins that can take these products, unless the council does the sorting process, but each council is different'* (Accommodation/food retail company).

Are you getting requests from customers to provide/use more environmentally-friendly products e.g. requesting paper straws instead of plastic straws?



Does your business see more use for recycled plastic if it were more readily available?



Conclusion

There is clear support among the South Australian business community for a transition away from single-use plastic items, wherever possible. As Australia and the rest of the world must act to combat the effects of climate change, South Australia is in an advantageous position to become a leader in the reduction of single-use plastics. Our history of leading the nation on recycling and other environmental initiatives lends itself to South Australia taking the lead on this issue, provided it is done in consultation with the business community and all levels of government.

Businesses which responded to our survey support a transition which takes into consideration the potential financial impacts on their operations, as well as the necessity for some single-use plastic items in the healthcare industry. However, the favourable responses to our survey show that the broad impetus is there to allow the State Government to take action. The European Union's recent actions to reduce single-use plastics can be a good example of how to proceed. In January 2018 the European Commission (the Commission) developed the *European Strategy for Plastics in a Circular Economy*, which aims, among other things, to ensure that all plastic packaging in the European Union is reusable or easily recycled by 2030, and that 10 million tonnes of recycled plastic is made into new products by 2025. The Commission is also developing a *Strategic Research and Innovation Agenda on plastics* to guide future research and funding from 2020 onwards. Industry groups, such as Plastics Europe, European Plastics Converters and Plastics Recyclers Europe were consulted on how to improve the economics and quality of plastics recycling, with voluntary commitments to achieve these goals coming from industry itself.³ Noting these initiatives, there was no mention of broader industry consultation, such as with businesses which use/provide single-use plastics. Business SA recommends that these stakeholders also be included in any further discussions about reducing single-use plastics.

Based on our survey results, the first step to reducing single-use plastics needs to be more awareness of what recycled plastic gets used for, as well as the environmental impact of single-use plastics. This would then support a wider transition program which could involve a combination of legislation/regulation, funding for research, and incentive schemes. As previously mentioned, 90% of businesses who responded to our survey would like to see a transition away from single-use plastics within three years. As always however, Government must be mindful of the impact of such a transition on all industries, particularly where it may be harder and/or more expensive to source alternatives to plastic. Furthermore, the healthcare industry may require more time, or exemptions put in place, to protect patients and workers.

³ European Commission. 'A European Strategy for Plastics in a Circular Economy,' pp 10, 11, 16.