



**SUBMISSION TO
THE MINISTRY FOR THE ENVIRONMENT**

ON

WASTE FREE FUTURE CONSULTATION

PROPOSED MANDATORY PHASE OUT OF SINGLE-USE PLASTIC SHOPPING BAGS

BY

FOODSTUFFS (NZ) LIMITED

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Introduction

This submission is made by Foodstuffs (NZ) Ltd on behalf of its shareholders: Foodstuffs North Island Ltd and Foodstuffs South Island Ltd, which are retailer-owned grocery co-operatives. Foodstuffs (NZ) Ltd is the Federation Headquarters of the Foodstuffs group of companies and co-ordinates national policy and responses to consultations on matters of public policy.

The Foodstuffs companies are 100 per cent New Zealand owned. They develop retail stores which are franchised to co-operative members who own and manage the stores on a day-to-day basis. Our retail grocery brands are: PAK'nSAVE; New World; Four Square; On-the-Spot; and Raeward Fresh. Foodstuffs also operates in the grocery wholesale sector, supplying grocery products to other businesses. Our wholesale brands are Gilmours and Trents. Foodstuffs also owns the liquor retail brands Liquorland and Henry's Beer, Wine and Spirits.

Foodstuffs has formatted this submission to answer the questions posed in the consultation document in the order they are presented.

Consultation Questions

1. [Do you agree with the proposed mandatory phase out of the sale or distribution of single use plastic shopping bags in New Zealand, including those made of degradable \(e.g. oxo-degradable, biodegradable and compostable plastic\).](#)

Yes. Single-use plastic shopping bags (SUPSBs) provide a cost effective and functional solution for retailers wanting to provide a free carrier bag for their customers. However, over time, the environmental impact of SUPSBs, particularly as a marine environment pollutant, has become more evident. While individual SUPSBs have a low environmental impact, particularly if re-used and then disposed of in landfill or recycled, the tendency for many customers to use the bags only once, litter bags, and the accumulation of littered bags in the environment over time, has led to environmental impacts that are no longer acceptable.

Over the last fifteen years or so, there has been growing public opposition to SUPSBs. Our market research tells us that most consumers now support interventions to address the environmental risks SUPSBs pose. It is for this reason that Foodstuffs has decided to voluntarily phase out SUPSBs by the end of this year.

While many retailers are acting voluntarily to phase out SUPSBs, Foodstuffs supports a mandatory government ban of these products. This would put all retailers on a level playing field and reduce the risk of retailers reverting to providing free SUPSBs in response to customer or competitive pressure, as has occurred in Australia. A mandatory phase-out will also provide the best environmental outcome by removing all SUPSBs from the market.

Foodstuffs supports the inclusion of degradable plastic bags in a mandatory phase out programme. Degradable plastic bags lead to micro-plastics in the environment, which will inevitably find their way into the food system. Additionally, we have seen many misleading claims made about degradable bags. In many cases, retailers do not have the knowledge to independently assess the veracity of such claims and are often misled, while trying to do the right thing. A total ban on degradable plastics would resolve these issues once and for all.

2. We have proposed a mandatory phase out of single-use plastic shopping bags. This could include under 50 microns or under 70 microns in thickness. Do you agree with a mandatory phase out and which option do you prefer?

Foodstuffs agrees the regulations imposing the SUPSB ban must clearly define the bags that are banned. Foodstuffs supports a ban on bags that are less than 50 microns.

As part of its plan to voluntarily phase-out SUPSBs, Foodstuffs intends to augment its existing long-life bag reusable bag range (polypropylene, jute, cotton, and nylon bags) with more affordable reusable bag options. These are a paper bag sack, as used extensively in the United States, and a heavy-duty reusable HDPE/LDPE plastic bag of 60-micron thickness. We have trialled both variants and intend to roll these out nationally during our SUPSB phase-out period – October through to the end of December 2018.

Our motivation in ranging these bags is to provide more affordable stop-gap options for customers who have bought a supply of long-life reusable bags, but have forgotten to bring them with them when they come to our stores to shop. Research tells us that the biggest barrier to customers using long-life bags is remembering them to bring back to store.

Customers who have an adequate supply of long-life bags are likely to begrudge the expense of having to buy additional long-life bags when they've left their bags at home. By providing more affordable options we hope to reduce the pain of this inconvenience.

We have been asked why we are providing a heavy -duty plastic bag in addition to a paper bag. While the paper bag sack is perceived to be more environmentally friendly, is recyclable at kerbside, and will break down naturally in the environment without posing environmental harms, the heavy-duty plastic bag is more functional, having handles which makes it easier to carry multiple bags. We believe this bag is more likely to be reused multiple times, and it is also suitable for reuse as a bin liner, as well as being recyclable via the soft plastics recycling scheme. Trials have shown that the reusable plastic bag has been more popular than the paper bag in some stores, with a higher number being sold, despite being more expensive to purchase. We believe this is due to customers' perception of the bag's functional advantages.

3. Are you aware of types of single use-plastic shopping bags that should be exempt from a mandatory phase out?

Barrier bags, which are necessary to provide a barrier between a risk item e.g. raw meat, laundry products, cleaning products, etc and ready-to-eat-food.

Produce roll bags should also be exempt. These provide a very hygienic option for packaging fresh, loose produce, but can be reused, fall within the tare weight tolerance for Weights and Measures Act compliance removing the requirement for produce to be unpacked for weighing at checkout, and can be readily recycled via the soft plastics recycling scheme. Soft plastics recycling is now available at most of our supermarkets.

4. Do you currently manufacture, sell, or provide or import for sale or personal use these types of single-use plastic shopping bags: a) less than 50 microns b) less than 70 microns? Explain how a phase out would affect you.

As outlined above, we are currently trialling a 60 microns heavy-duty bag which we expect to rollout to all stores as part of our voluntary SUPB phase-out programme.

If plastic bags of less than 50 microns are included in the ban we will not be affected. If bags of less than 70 micron are banned, we will need to exclude or upweight this bag. Ironically, by upweighting the bag, we would introduce more plastic into the supply chain.

We believe a heavy-duty bag should be permitted to cater for those customers who leave their long-life bags at home and need to purchase something to carry their groceries home. In the absence of this bag, customers could choose to buy a paper bag, which is less functional, or a long-life bag, which will cost more to purchase. If customers have already acquired an adequate stock of long-life bags they will begrudge having to purchase more.

We do not believe the heavy-duty bag will become the default purchase because the bag is much less functional than the long-life options, but also more expensive in relative terms i.e. on a per use basis. Customers will quickly realise that long-life bags are the better option, both in terms of better functionality, but also in terms of cost effectiveness over the life of the bag. We envisage that customers will mostly purchase heavy-duty plastic bags as a stop-gap when they leave their long-life bags at home.

5. [Should smaller retailers be exempt from a mandatory phase out of SUPSBs?](#)

No. The phase out of SUPSBs will be most effective if it is universally applied across all retailers. Such an approach will also help customers make the cultural shift required to live without the convenience of SUPSBs. It will provide a level playing field for retailers and avoid commercial disadvantage for those that fall on the wrong side of any arbitrary dividing line.

6. [If smaller retailers are exempted from a mandatory phase out of SUPSBs and they are defined by their number or full-time equivalent employees, what should that number be?](#)

We do not support an exemption for small retailers. Many of the largest retailers have already committed to phasing out SUPSB voluntarily. If small business is exempted, the bulk of businesses in number, there will be little gain from implementing a mandatory approach.

7. [The proposed mandatory phase-out of SUPSBs is at least six months from when regulations are gazetted, subject to consultation. Do you agree with this timing? If not, what do you think would be a more appropriate phase-out period? Two months, nine months, one year, other?](#)

We recommend a 12-month transition period. This is based on our own experience, having to trial alternative options before deciding on alternative bag solutions, source this product, allow for shipping, and prepare our customers for the change.

8. [Do you agree that the benefits expected from implementing a mandatory phase-out of SUPSBs exceed the costs expected from implementing the phase-out?](#)

Foodstuffs has spent a large sum implementing its own voluntary initiative. Costs include: project management, the costs of trialling alternate bag options, consumer communications and marketing, and giving away more than 2 million long-life reusable bags to date.

We have not undertaken a cost benefit analysis for our project, and it would be difficult to quantify the benefits of the change we are making, but we believe phasing-out SUPSBs is now the right thing to do for the wellbeing of the environment, the oceans, and the protection of marine life. We are confident a large majority of customers share this view.

9. [Do you think that reasonable practicable alternatives to SUPSBs exist in New Zealand? If no, what do you think is missing currently that would need to be available?](#)

Yes. Foodstuffs will be providing a whole range of alternatives, ranging from paper bags, to medium and long-life reusable bags made from plastic and non-plastic materials. Most bags are having to be imported, which requires lead-times, but the products are readily available.

10. [How can people be encouraged to reuse multiple-use shopping bags enough times to offset the environmental impacts of producing them?](#)

Foodstuffs has been and will continue to undertake marketing campaigns to promote the transition to long-life bags, and their reuse, however the cost of replacing bags will, of itself, be a major incentive for people to reuse them.

When New World introduced a charge for SUPSBs in 2009, we saw a 75% reduction in SUPSB bag use in response to a 5cent/bag charge. Our paper bags now sell for 15 cents, which is the entry price point for SUPSB alternatives, so we are confident consumers will reuse bags rather than buy new bags on a habitual basis.

11. [What would help you and your family adjust to life without SUPSBs?](#)

This question is posed for individual consumers, but Foodstuffs believes the mandatory phase-out of SUPSBs, charging for alternatives, and consumer marketing and education, will lead to a dramatic shift in consumer behaviour. There is plenty of overseas evidence of this.

12. [How can data on SUPSBs and other single-use plastics entering the market and monitoring of reductions be improved?](#)

If SUPSBs are banned, there shouldn't be any entering the market post implementation.

13. [Please provide any additional comments or suggestions.](#)

Summary and Conclusion

Foodstuffs supports a mandatory phase-out of SUPSBs. We believe this would be most effective if applied universally i.e. covering all retailers.

Notwithstanding our support for a total phase-out of SUPSBs, exemptions are required for barrier bags used for food safety purposes, and for produce roll bags (a type of barrier bag), which facilitates an efficient checkout transaction process as well as fair charging (required by the Weights and Measure Act) when handling variable weight items. These are recyclable in store.

Foodstuffs recommends a 12-month implementation timeframe, to provide sufficient time for retailers to trial, select, order and ship, alternate bags, and prepare customers for the change.