

3 July 2017

Attention: Committee Secretary

Agriculture and Environment Committee
Parliament House
George Street
BRISBANE QLD 4000

BY EMAIL: aec@parliament.qld.gov.au

Dear Sir/Madam,

Re: Waste Reduction and Recycling Amendment Bill 2017

Master Grocers Australia Limited (“MGA”), is a National Employer Industry Association representing independent supermarket, liquor and hardware store owners in all States and Territories. These businesses range in size from small, to medium and large, and make a significant contribution to the retail industry, employing 115,000 people and accounting for approximately \$14.5 billion in retail sales.

MGA is a registered organisation with the Fair Work Commission and is the member organisation for all independent store owners in Queensland. In Queensland alone, there are 760 independent supermarkets that trade under brand names such as Supa IGA, IGA, Foodworks, Friendly Grocers, SPAR, Cellarbrations, The Bottle O and Mitre 10 Hardware. These supermarkets range in size from small to medium or large businesses. While many of MGA’s members are small family-operated businesses that employ 20 or fewer employees, these businesses account for the employment of more than 21,000 full time, part time and casual employees. This represents retail sales in excess of \$2.8 billion, which is 156 million customer transactions per annum or 3 million customer transactions per week.

Firstly, MGA wishes to commend the Queensland Government for the work put into the preparation and delivery of the Waste Reduction and Recycling Amendment Bill 2017 (“the Bill”). We note that the Bill’s objective is to combating unnecessary waste and pollution in Queensland and to assist in reducing the environmental harm, which is a noble and worthy cause.

Whilst MGA supports the objective of the Bill in principle, we wish to raise a few issues that may arise as a result of the Bill becoming law which can have detrimental impacts on our members, especially in regards to the lightweight plastic shopping bag ban and the container refund scheme.

Lightweight Plastic Shopping Bag Ban

It is quite clear that the Queensland Government has made a commitment to the banning plastic shopping bags, including bio-degradable bags.

The introduction of a ban from an independent retailer's perspective will not be easy. Obviously, there will be a heavy burden placed on retailers to communicate the proposed changes to the public. There are also significant costs that will be suffered by small to medium independent business retailers who do not have the financial backing of a larger conglomerate to absorb such costs, which include but are not limited to:

- removal and elimination of plastic bags from the retail store;
- providing training to employees in relation to the ban and how to deal with consumer complaints or queries;
- displaying notices explaining to consumers why the ban is in place;
- identifying, acquiring and offering alternative permissible bags, boxes or other methods to carry or deliver purchases; and
- implementing extra processes on an ongoing basis to ensure compliance with legislation.

Therefore, the question is what assistance needs to be provided to retailers to implement the ban and educate consumers when they are busy operating their independent businesses? The Government should supply retailers with posters and flyers that will assist them to overcome some of the problems that they will undoubtedly encounter when they are no longer able to provide plastic bags to their customers. The Government should also consider initiatives to assist small businesses to reduce the cost of implementation.

MGA also believes that the proposed penalties should a retailer provide a banned plastic shopping bag to a person to carry goods is excessive (see clause 99D). MGA notes that the infringement value is 5 penalty units for an individual and 25 penalty units for a company, with the maximum penalty of 50 penalty units. An infringement notice of 25 penalty units can potentially be crippling to a small business, especially when the business is operating on small profit margins and to be penalised to such an extent to for relatively minor, one off transgression which would be of little harm is excessive and unreasonable.

Container Refund Scheme

MGA strongly supports the objective of reducing litter and increasing recycling however we oppose the introduction of the container refund scheme mainly on the grounds that it will increase red tape and cost burdens on manufacturers and retailers as well as force prices to the consumer to increase unnecessarily.

The Bill requires beverage manufacturers to contribute to the cost of refund amounts that are paid for containers and for the administration of the scheme, as well as to ensure that the containers that beverage products are packaged in are made of material that is suitable for recycling. In order to recover the required costs, manufacturers will inevitably increase the costs of their products, which will directly impact retailers' costs and profit margins. Retailers will then be forced to either increase retail prices and suffer customer backlash or maintain retail prices and suffer a loss in profit. In the Northern Territory, where a container deposit scheme was introduced in January 2012, the cost of a carton of beer has increased by \$3 to \$4 as a consequence. This will likely raise the cost of an average household grocery basket, at a time when cost of living pressures is rising significantly, especially in rural and remote areas of Queensland. MGA strongly encourages the Queensland Government to consider the potential effects on the retail cost of beverages as a result of the proposed container refund scheme contained in the Bill.

MGA sincerely thanks the Queensland Government for this opportunity to make this submission and we would be pleased to explain our position further should the Queensland Government require additional information.

Yours sincerely,



Jos de Bruin

CEO

MGA Independent Retailers