

TRANSCRIPT

LEGISLATIVE COUNCIL ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into Recycling and Waste Management

Melbourne—Tuesday, 8 October 2019

MEMBERS

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Mr Clifford Hayes—Deputy Chair

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Mr David Davis

Mr Tim Quilty

WITNESSES

Mr Yale Stephens, Head of Public Affairs and Brand, and

Mr Russell Zimmerman, Executive Director, Australian Retailers Association.

The CHAIR: Thank you. I would like to welcome Mr Stephens and Mr Zimmerman from the Australian Retailers Association. Thank you very much for making yourself available today, and we look forward to your contribution.

All evidence taken at this hearing is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore any information you give today is protected by law; however, any comments repeated outside this hearing may not be protected. Any deliberately false or misleading evidence to the Committee may be considered a contempt of Parliament. All evidence is being recorded. You will be provided with a proof version of the transcript in the next few days.

We are running behind schedule, but we will still give you the 45 minutes. I will propose that we can have about a 5-minute opening statement, and if you are able to concentrate specifically on your membership in the industry, in the retail sector, we will see how we go from there. Again, thank you. Who would like to kick off? Mr Zimmerman.

Mr ZIMMERMAN: Thanks very much, Chair, and thank you very much for the opportunity of addressing. The Australian Retailers Association is a member organisation. We have approximately 9500 members across Australia and around 12 000 to 15 000 retail stores represented in Victoria.

Chair, members of the Committee, ladies and gentlemen, I would like to thank the Committee for the opportunity to appear today as the peak representative body for the retail industry across Australia. Any opportunity to influence outcomes that may help Australian retailers is a priority for the association. What I particularly want to comment on this afternoon is the issue of single-use plastic bags and the ban coming into force on lightweight plastic bags of less than 36 microns in thickness that is set to take effect in Victoria from 1 November.

Can I say at the outset that the Australian Retailers Association is strongly supportive of the Government's initiative to reduce plastic waste, and I am happy to report that many of our members have already transitioned away from the type of lightweight plastic bags that this ban applies to or have transitioned away from plastic bags altogether in favour of alternatives such as paper. But the fact remains that with any large group of people—and all businesses are based first and foremost on people—not everything happens at the same speed. When change comes not everyone, unfortunately, is prepared for it.

Whilst we support the banning of single-use plastic bags I would make the point that banning bags of 35 microns or less, when most other states with bans in place have prohibited the use of bags of less than 35 microns—which is a small but important distinction—has needlessly complicated what should have been a slam-dunk success for the Government that on the face of it is supported by all sides of politics, business and consumers generally. The issue is one that has occupied a significant amount of the association's time in recent months, and not in a good way.

I suspect that most people here today have read today's *Herald Sun*. There is a story on page 1 that would have been completely avoided had the stewardship of the forthcoming ban been managed properly. Now that they have been named in the press today the story of Bakers Delight—and I will note that they are a member—who have won an exemption from the EPA to use their existing stock of non-compliant bags is an instructive one. Knowing a ban on lightweight bags was likely to be in the works when they ordered them 18 months ago, Bakers Delight looked at the bans already enforced in other states and spoke to their supplier and ordered 35 micron bags in the belief that they would be compliant as they were in Queensland, Tasmania, South Australia and the ACT, where bans apply to bags of less than 35 microns. As we have said, Victoria has opted to ban bags of 35 microns or less. We became aware of the situation at Bakers Delight, an ARA member, when

they contacted us and expressed alarm that despite trying to do the right thing they stood to be left holding 1.6 million plastic bags they could not use. Just note that: 1.6 million bags.

We had also become aware a month or two earlier of a contract let by the EPA in Victoria to conduct an education and awareness campaign to the retail sector in Victoria that was won by the National Retailers Association, a primarily Queensland-focused body. We were not aware of the contract at the time it was advertised, which was last year, possibly due to personnel changes within our association. But whilst the NRA is a competitor to the ARA we nonetheless expect they would conduct this campaign professionally, diligently and efficiently.

At about the time we became aware of the campaign the NRA had been engaged by EPA Victoria to conduct, and shortly before Bakers Delight's issue came to our radar, the ARA received a small number of calls from worried staff in individual retail shopfronts located in far-flung parts of regional Victoria reporting people claiming to be from the NRA visiting their shop demanding to inspect bags and threatening prosecution if they continued to use non-compliant bags after 1 November. As a result of these developments we urgently surveyed some of our larger members with extensive footprints across the state, which quickly revealed that the NRA had not bothered to contact any of them through their head offices. The only contact with ARA members we could identify, as I said, was a few random visits to individual regional shopfronts. It appears that there was a strategy of avoiding talking to our members altogether.

The ARA is Australia's largest retail association and our members have the largest retail presence in Victoria, with between 12 000 and 15 000 shopfronts across the state. For our membership to have almost been completely neglected by the EPA's contract on such an important issue is deeply concerning and disturbing. It is true that many of our members have already moved away from using plastic altogether, and it is also true that many of those who have not are already using bags that would comply with the Government's imminent ban. This is beside the point. The fact remains that these retailers were not approached at all, and this in turn indicates either an incompetent or selectively negligent approach on behalf of the contractor engaged to educate and raise awareness among the state's retailers. Anecdotally we have been told the NRA personnel have said its strategy in metropolitan areas was to leave information kits at centre management in major shopping centres for retailers to collect, transferring the responsibility for delivering the campaign it was engaged to conduct onto someone else. If this is true, it underlines why many retailers have, until the ARA stepped in, been unaware of the coming ban at all.

We wrote to the CEO of EPA Victoria on 17 September—I have the letter right here—outlining our concerns with the plastic bag campaign in considerable detail. To date there has been no response whatsoever. This is very disappointing and concerning. What is even more disappointing is that we know the letter was received and in all likelihood passed on to the NRA, because one of my staff was confronted outside an EPA event in Melbourne a week later suggesting the ARA had fabricated its contents, which is offensive in the extreme. I submit that this behaviour was in breach of the Victorian Government's supplier code of conduct, contravening stipulations governing professional conduct, the use of confidential and/or commercially sensitive information and quite probably provisions around bullying and harassment. But what we did receive after we wrote to the EPA and after our staff member was bailed up by someone from the NRA because we dared to do so, was a zip file of collateral from a senior executive manager at the department of environment, land and water. This material was either cobranded between the department and the NRA or contained links to the NRA-branded websites and was accompanied by—

The CHAIR: Mr Zimmerman, I understand you have got a grievance with the EPA in relation to this matter. Can I ask you to come back to the terms of reference and to this Committee because we have got a bit of time pressure? So if you want to make some points other than the plastic—

Mr STEPHENS: Could I just answer, Chair, that the terms of reference cover Government procurement, which we are addressing. They—

The CHAIR: No. We asked you to put in a submission and you have not put in a submission either.

Mr STEPHENS: Well, we were invited. We were approached by your Committee administrator to appear.

The CHAIR: I did not ask you to answer you the question. Mr Zimmerman, have you finished your contribution? What about we go another 5 minutes because I am interested in getting the Committee members to ask questions. I am not trying to be rude.

Mr ZIMMERMAN: Okay. Well, I will leave it there.

The CHAIR: I invite you, by the way, after this hearing to be as comprehensive as you want to be in relation to any issues you want to raise, and that will be taken as evidence. So your right is reserved; I do invite you to do that as well. If we are not able to capture all your issues during the period, you are more than welcome to put in whatever submission you need to and that will be taken as evidence.

Mr STEPHENS: Thank you, Chair.

The CHAIR: I am just mindful of time; I am not trying to be rude.

Mr ZIMMERMAN: I will leave it there, other than to say from a—

The CHAIR: Please finish the points you need to make; it is important.

Mr ZIMMERMAN: I think the point that I am making here is that the time put out there to instigate this is not leaving sufficient time for retailers to actually be compliant by 1 November, because in actual fact most retailers have not been informed about the changes on the plastic bags.

The CHAIR: On that point, if I may, because, look, it is a very important issue and I understand that is an issue for your members, and I congratulate you for standing up and advocating on behalf of your members, but did the association write to members when the ban came into effect?

Mr ZIMMERMAN: Absolutely. Yes, we wrote to our members.

The CHAIR: So the members are aware of that?

Mr ZIMMERMAN: We advised them once the Government came out and said that there was a removal of the single-use plastic bag. We actually wrote to them—absolutely, yes.

The CHAIR: Hence the reaction today with Bakers Delight. It is a good example where, for whatever reason, 1.6 million bags are in the system. I mean, I thought the EPA should be congratulated for giving the exemption and being lenient about basically dealing with that.

Mr ZIMMERMAN: Absolutely.

The CHAIR: I am sure there will be other retailers who will be in a similar space, especially smaller retailers: takeaway shops, fruit shops. There are going to be some teething issues. So the point I am making, and I would like you to comment on it, is: would you expect the EPA or the State Government to actually offer some leniency in relation to the implementation from 1 November? What are the practical steps the association would like to see to address that?

Mr ZIMMERMAN: Okay. Well, we have written to the EPA, and we have asked them and advised them about it. We have not had a response to that letter giving us approval, to say that they are going to give an exemption, so at this point in time I have no idea whether any exemptions are going to be given to other retailers unless they are going to have to individually ask for it. Now, most retailers would buy their bags roughly six to 12 months in advance. Even a small retailer—and I am a small retailer in my own right—would always purchase about 12 months worth of plastic bags.

The CHAIR: If you want to take that question on notice as well in relation to what practical measures you would like to see—I mean, our report is due to be handed down by 29 November.

Mr ZIMMERMAN: Okay.

The CHAIR: We can always include something in our report, and then we will see what the Government does. But if you feel you want to put to the Committee some suggestions or things we should take into account in our report, please feel free to do so so that we can address those issues as well when we are finalising our report by the end of November.

Mr ZIMMERMAN: Can I say that retailers generally, and particularly the bigger retailers, are very well aware of this. You can see people like McDonald's have moved from plastic straws to cardboard straws. You have seen a lot of retailers, even some of the smaller ones, moving away from using the polystyrene-type containers to put their food in. There is a genuine belief within the industry that we need to move to a more friendly environment and not have this plastic waste, absolutely.

I would point out to you that Australia generally has some problems. If I was to buy an LG TV from overseas, it would come in in a polystyrene foam pack. If I buy the same TV set and I am in Europe, it will not come in polystyrene foam; it will come in an egg-type cardboard carton, and any fillers in it will be a cornstarch filler. So not only do you have problems directly here with plastics, but you need to look beyond where the Federal Government is concerned. There need to be some very strict regulations about how we import things. If you go to Germany, for example, you will set your waste out about eight times. You will have eight different bins to remove your waste in.

The CHAIR: Thank you. That is a good point.

Mr HAYES: Thanks, gentlemen. I just wanted to ask you about the issue of product stewardship. You alluded to it there when you were talking about TV sets and different imported products. Do you see a possibility of product stewardship being addressed not only by manufacturers but also by retailers, especially in regard to imported products? Can retailers be asked to provide a disposal plan and manage putting a charge on products to pay for their disposal in the circular economy?

Mr ZIMMERMAN: I am not a big believer in putting a charge on things. I am more of a believer in putting an incentive to make people do something—that will cause them to do the right thing. If you are going to put a charge on something, unfortunately at the end of the day the consumer is going to pay for it. If you give an incentive so that it is done, I think that is a far better way of doing it. Retailers will have to look down the packaging chain. Many retailers are not dealing with the Sonys or whoever it may be of the world; they are dealing directly with the suppliers overseas in China and sometimes locally. So they will have to look very carefully at their stewardship right through the line, absolutely.

Mr HAYES: How would you see that encouragement being developed in Victoria?

Mr ZIMMERMAN: As I said, an incentive is always a far better way of doing something. Now, you have caught me a little bit on the hop in asking me what kind of incentive I would give. But that may be something like a reduction in waste costs for a retailer that is doing the right thing.

Mr HAYES: On this too would you see a problem with a ban on single-use plastics—that is, plastics that have no life beyond one use and cannot go into the recycling stream?

Mr ZIMMERMAN: The one area where I see a big problem in single-use plastic bags—banning them—

Mr HAYES: Not just bags but straws and containers.

Mr ZIMMERMAN: Well, there are a couple of things. Straws—when people are disabled, there can be problems, and we know that there are some people who are using metal straws or offering metal straws.

Mr HAYES: But I mean more problems for retailers rather than—

Mr ZIMMERMAN: Well, that is a problem for retailers because you have then got to have an alternative offer to the cardboard straw. The metal straw; we will use that as an example. How do you stop someone who is not disabled from using it because they just want it? There is a cost to hygiene in how you clean those straws. There are huge problems in that area. Butchers—you cannot put meat in a recyclable bag without it contaminating the bag to some degree, and that is where single-use plastic bags still tend to be used.

Mr HAYES: Any comments on making bin liners and bags like that for that use being made of compostable material?

Mr ZIMMERMAN: If it can be made of compostable product and it is truly compostable, then it should be made, absolutely. And again, there should be incentives for people to move towards that.

Mr HAYES: Okay. Thank you.

Ms TERPSTRA: Thanks for your submission today. I just have a question around perhaps your thoughts on the use of soft plastics. We have heard from other witnesses that some of the larger supermarkets have the REDcycle recycling program, encouraging people to bring soft plastics back to their store, which is really good. But I just noticed that if I go in to, say, an independent grocer—a small grocer—there are noticeably less soft plastics used in the presentation and I guess display of fresh fruit and vegetables, for example. Whereas if I go into some of the larger retailers, there are a lot more soft plastics. Can you comment on why that might be in terms of the differences? I know I have heard some evidence about that, but I would like to hear from you, from your perspective, and whether there is anything in your opinion that could be done to actually reduce the use of soft plastics in the storage or display of fruit and vegetables, for example.

Mr ZIMMERMAN: Well, my best guess would be that it is to do with the transport of larger quantities rather than transport of smaller quantities. Beyond that, I would not know unless I started talking to the major retailers on that particular issue.

Ms TERPSTRA: Maybe you might be able to take that on notice for me then, if you could do that.

Mr ZIMMERMAN: Yes, we will. We will talk to the two retailers and ask them why.

Ms TERPSTRA: Thank you.

Mr LIMBRICK: Thank you for your evidence today, Mr Zimmerman. I want to go back to the plastic bag ban because that was something that I was very interested in when the legislation went through, and I am disappointed to see that some of the concerns that I had about the legislation have actually eventuated, such as existing stockpiles and difficulty with smaller retailers complying. You mentioned before that a lot of the smaller retailers are switching to other products. You mentioned compliant plastic bags. By that, you mean thicker bags, heavier bags and paper. Is that what you are seeing across your membership—that where they are switching, they are switching to heavier bags that are compliant and paper?

Mr ZIMMERMAN: The majority of fashion retailers have probably gone to a paper-type bag. Some of those will be straight ordinary paper and some of them will be recycled paper, where they have made their bags out of paper that has been recycled rather than it being recyclable, if I can emphasise the difference. So, yes, that is what we are seeing particularly in the clothing industry. Let me give you an example: you walk into a JB Hi-Fi, for example, and you have bought a coffee machine. It is fairly heavy and you put that into a paper bag. The likelihood is it is going to fall down out of the paper bag and rip by the time you get back to your car.

Mr LIMBRICK: You don't want to break your coffee machine.

Mr ZIMMERMAN: That is right. So if you start thinking about that—and I cannot tell you whether the coffee machines have got this or not—you could put a handle on the packaging so you do not use a bag. You either use a piece of plastic to put it on, which we do not want, or you get the cardboard folder in handles. I am a great believer that it will occur, but whether or not it is happening overseas and not happening in Australia or whether it is just a slow process worldwide is something I cannot answer. I do know this: I went to South Africa just 12 months ago and Woolworth South Africa, which are in actual fact the David Jones retailer here in Australia plus a couple of others, have completely converted their stores over to what I would call a higher quality polypropylene-type bag—so quite a large bag. My concern about these bags is—and certainly we all have problems with the amount of single-use plastic bags that have got into our waterways—the actual cost to the environment of making some of these bags can be quite high. Yet I have also seen in my local Woolworths store in Sydney that they are using or they are at least selling a bag that looks to all intents and purposes more like a jute-type bag, which one would assume would be far more combustible and degradable than what the—

shall I say the traditional—99-cent green bags are. Unfortunately it does not seem to be across the board that Woolworths and Coles put those bags in; I have seen them in some stores but not in all.

Mr LIMBRICK: This is a quick one. One other thing I raised that I had serious concerns about when the plastic bag ban came in was I know from in my own area and in my electorate that there is a very large number of small retailers who speak languages other than English and there could be problems communicating with them, making sure that they are aware of these bans and that the penalties are quite heavy, like \$10 000. In a lot of these very small shops \$10 000 could be a death sentence for their business; right? Do you have a large number of members that do speak languages other than English as their first language, and how are they coping with this in your communications with them?

Mr ZIMMERMAN: Certainly we have retailers that do not speak English or English is not their first language. We do not put our brochures out in multiple languages; absolutely not. The only thing we can do as an association is keep pushing it back to our retailers and giving them the best advice we can, which we are doing all the time. But, yes, you are going to have a problem. There will be some retailers—and I think that has been evidenced already—that have not been contacted or just do not understand it. I do not want to labour the point, but there is also an issue around the 35 microns that is different in Victoria to most other states.

Mr LIMBRICK: Thank you very much.

Mr ATKINSON: Can you estimate the percentage of non-consumable products that are imported and sold through retail distribution in Australia?

Mr ZIMMERMAN: I would not have the foggiest. We could try and find out.

Mr ATKINSON: Can you guesstimate?

Mr ZIMMERMAN: No, I really cannot.

Mr ATKINSON: It would certainly be well over 70 per cent. I mean, we are talking about clothing imported from Bangladesh, China. We are talking about TVs, whitegoods. We are talking about all household products, plastic products and so forth. They are all coming—

Mr ZIMMERMAN: I would not be surprised if it was close to 90. I just do not know.

Mr ATKINSON: Me either.

Mr ZIMMERMAN: We do not manufacture a lot in Australia. I suppose that is the point I would make.

Mr ATKINSON: That is right. And in food products: any estimate as to what level of food products would be imported now?

Mr ZIMMERMAN: It is increasing because you have got things like tinned tomatoes and the like that come in, and we have been very aware of that because of the *Modern Slavery Act*. Again it is something I can take on notice and talk to Coles and Woolworths about, but the percentage would be a long way lower in food than what it would be in other products.

The CHAIR: Are Coles, Woolworths and Aldi members of your association?

Mr ZIMMERMAN: Woolworths are, Coles is not at the moment. We are in discussions with them, but we talk to them in any case.

The CHAIR: We just want to express our disappointment that they have declined our invitation to appear before the Committee, and that is the second time.

Mr ATKINSON: Just very quickly. The reason why I am doing this, why I ask those questions, is we are looking at changing behaviours and changing the generation of waste in the first place. Clearly, as you mentioned, in terms of the way things are packaged overseas for the Australian market we are not just talk about plastic bags, we are talking about polystyrene, we are talking about the cardboard boxes, we are talking

about the plastic that wraps it. We are talking about those bubble plastics that buffer product and so forth. Is it also true to say that some of the development in terms of packaging is now also designed from a security point of view in the stores?

Mr ZIMMERMAN: Yes, absolutely. So if you went into Officeworks, as an example, and you were looking at a mouse, you will find that an ordinary mouse often is packaged in a very hard plastic packaging. It will take more than a pair of scissors to open it, and quite invariably, when you are trying to get it open you will cut yourself, and that is done purely and simply for security.

However, can I also comment that there are other things that are not necessarily security. Razorblades would be an example where they are a security product, and they put a little secure tag on the back of it. But one of the things that you could see if you go to a newsagent and buy a Bic pen, it will be on cardboard with a piece of plastic around the front, where probably a couple of twist-ties would hold it. Now, arguably there would be less environmental impact if they were done that way than if they were done with the plastic down the front.

Mr ATKINSON: You are also very much involved as an association in terms of government legislation and regulation—and I do not expect you to answer this now, but perhaps if you go away and give us a response to this—and the contribution of government regulations and legislation to the problem, in the sense of requirements for packaging of goods. I am thinking particularly in terms of food integrity and hygiene and so forth. I mean, you mentioned the meat issue. There are actually other problems of contamination with meat. We have got health laws that try to manage the way in which the meat is handled. The question is whether or not they are the right regulations or whether or not those regulations ought to be overhauled and reviewed to ensure that they are not contributing to the problem as well with an over-regulatory regime.

Mr ZIMMERMAN: Well, could we take that on notice? Because there is no way we can respond to that now.

Mr ATKINSON: Yes.

Ms TAYLOR: What would be the greatest assistance to retailers—having empathy for them, they have got to adapt and there is pressure on them to adapt—in terms of having packaging alternatives that are better for the environment? What is the greatest assistance to them?

Mr ZIMMERMAN: Look, small retailers depend upon wholesalers or suppliers to get their product; right? So when you are talking about small retailers you are really dealing with a third party, and it gets out of the retail scene. When you are starting to talk about the larger retailers obviously they are bringing their own products in from overseas, and I cannot help but say to you that if you start taxing things and you make it more difficult, actually the consumer ends up paying, and the last person you really want to upset is your consumer. So anything that can incentivise a retailer to do something to make it better is far better than putting a tax on something and saying, ‘Well, because it’s got plastic on it we’re going to tax it’.

To incentivise a retailer—to come back to what I said earlier—the quickest thing I can think of off the top of my head in the way of an incentivisation is to say, ‘If waste is costing you X amount per tonne, and if you are trying to do the right thing environmentally and you are really showing that, to be able to have a reduction on your waste cost or subsidised waste cost would be, to my way of thinking, a far better way of getting the problem solved’. Because at the end of the day a retailer is not going to do something unless they are regulated, they are forced into it.

Look, there are some retailers around, and I think Lush is probably one brand, that you could look at where they have tried desperately to do it. They are very environmentally friendly, and they do a lot for the environment. Retailers are certainly becoming far more sustainably minded, and they have to, because Facebook and Instagram and everything else is around and people will talk about retailers, particularly if they are seen in a bad light. So retailers are looking at it, but an incentivisation is a better way to go.

Ms TERPSTRA: It is interesting you talk about that. So it sounds like there is some market and consumer-type pressure to look at retailers and how they might be perhaps able to demonstrate their environmental credentials. Is that something that you are noticing is growing in the retail sector?

Mr ZIMMERMAN: Yes.

Ms TERPSTRA: And do you think it would be something that retailers might be encouraged to do—actually publicly report on some of the measures that they might introduce to reduce waste? Is that something that you think they might be able to do as well? Because if you talk about incentives—

Mr ZIMMERMAN: Yes. Look, if you are—

Ms TERPSTRA: If people are aware that retailers are taking action, it might actually drive business to them.

Mr ZIMMERMAN: Obviously if you are going to give an incentive to a retailer they are going to have to report on it, aren't they? But just to make them report becomes very difficult. Retailers have already got a fair bit of reporting to do. We have now got the *Modern Slavery Act*, and they have to report on that once their turnover is \$100 million or more, or in New South Wales \$50 million or more, so there are a lot of things they are reporting on anyway. But yes, if you are going to incentivise somebody, they are going to have to report on how they are reducing waste. Absolutely—they have to. That is the only way. There is really no other way you could tell whether a retailer is actually doing the right thing.

Ms TERPSTRA: Are you aware of any retailers at the moment—like, across your membership—that do publicly report on the measures they might be taking in the recycling area or waste management areas?

Mr ZIMMERMAN: Lush would certainly be a retailer that is out there. Whether you call it reporting, they are always talking about what they are doing for the environment. There are a couple of others; I am just trying to think of them. Just leave that with me, and I will come back to you there. There is one other retailer I can think of that is doing quite a good job.

A lot of this is coming back, for these retailers, to talking about what they are also then doing for the environment beyond. Not only are they trying to reduce their waste, not only are they trying to reduce their packaging and all of that sort of area—and obviously it comes down to animal testing and a whole lot of other areas—but they are also putting funding into things like the Barrier Reef or whatever it maybe. But most retailers are starting, particularly big retailers, to get a social conscience responsibility; most of them already have got there. Again can I re-emphasise the fact that part of the problem is: if you are going to buy that TV set from overseas, it is not going to come in the same way as it does going to Europe. And that becomes a problem because the supplier is not actually going to send it that way.

The CHAIR: Just on that point, what would be the solution? It could be a three-way solution or maybe a two-way solution, you might say. It is the retailers, and I am going to use a name—I am not necessarily having a go at them, but the Harvey Normans of the world, for example. The Federal Government could legislate Harvey Norman to tell his suppliers for that television, 'To send it to Australia I would like it to be packaged in the European way instead'. They are the things we will have to have, because I hear retailers and I think they could be the major influence. They will have a major influence on that outcome and on changing behaviour and reducing waste. The only reason they will probably do it these days is what you have talked about—the Facebook and naming and shaming—and their profit as well. But some of them like the new Coles Little Shop, for example—I mean, that is to me just waste. That plastic—90 per cent of it is going to end up in landfill. I cannot believe for the life of me how they get away with it in this day and age, where Woolworths—your members—are probably a bit more environmentally friendly. They have got a seed and a plant. But where is the social responsibility? I suppose I am having a go at your members. They do some good things, some of them, and some of them do some really bad things. How can we get that momentum going to basically say, 'Let's get a solution for this'? Maybe it is something you want to take on notice as well and give us some ideas, but yes—

Mr ZIMMERMAN: I would have to. I am going to say to you, Chair, that there is a move by the major retailers about what the industry represents, what it does and—if I can use the words—giving back and ensuring there is more and more focus by retailers on it.

Let us call it the Harvey Norman: in relation to getting that TV set in, there is a problem. And the problem is pretty simple. If Harvey Norman bring it in and say, 'Well, we want it in the European packaging', and let us

say Beta electrical do not and you have got two stores there and the two identical TV sets are coming in and one is costing you more, the logics of commerce tell you that the retailer that is paying higher for the packaging will also have to sell it for a higher retail price. Therefore you have got a competitive problem. Unfortunately there are 25 million consumers out there who all want to buy it for the cheapest price. And that is what you have got to balance up with these things: consumers want it cheap or for the least amount of cost.

The CHAIR: So on that point, then, that is where the Government could come in.

Mr ZIMMERMAN: Well, unfortunately maybe it has to be the Government that says, 'We don't want packaging coming into Australia' and looks at some of these things and says, 'From the perspective of Australia, if we are going to reduce the waste, then it has to go into a different form of packaging to make sure it gets there'. Chair, I bought three fans the other day for my balcony. Every one of them was in a box about that size by about that size by about that size, and guess what was in there—foam packaging. I know, say, 30 or 40 per cent of it was taken up in air space and it has got to be there to protect the product, but it could have been done a different way. I suspect it would have been done differently in Europe.

The CHAIR: On that point, and I did mention it earlier, I would like to urge you to, if you are able, send the Secretariat some sort of practical solutions you see on behalf of your members as far as the retail industry goes. What would you like a government, whether it is state or federal, to do to assist in achieving an outcome we all agree on—we need to reduce our waste. Some packaging needs to be done. We cannot just eliminate packaging. We cannot eliminate plastic. We are always going to have waste, but how can we reduce it? On behalf of your members you need Government help, because the point you made earlier about Harvey Norman and competitors, we need to be pragmatic about it and practical. So if you are able to sort of, in dot points, tell us what you would like us to include in our report to assist your members, to level the playing field and to achieve the outcome we want, if you are able to take that on notice and send us a brief note on that or some recommendations we can consider in our report, that would be excellent.

Mr ZIMMERMAN: Yes, we will take that on notice.

The CHAIR: Again, I want to thank you on behalf of the Committee for giving us your time and your passionate opening statement. We thank you again.

Mr ZIMMERMAN: May I just finish on one point? I would really like to see the EPA look at the issue that I have started to raise and how it can be addressed, because someone here mentioned a fine of about \$10 000. The actual fine is up to \$49 500. If that hits some retailers, we will see some retailers go out of business.

The CHAIR: I think it is a fair point you are making, and I think I can speak on behalf of the Committee and say that we share that view. I am sure the Minister's comment this morning in relation to that is that it is always going to be an issue of implementation and some teething problems. You cannot expect everyone just overnight, once there is a ruling—bang. But we have to have a cut-off point, obviously, and hopefully, with DELWP—the Government—and everyone else common sense will prevail and hopefully we will get a good result. So thank you again.

Witnesses withdrew.