

AUSTRALIAN NATIONAL RETAILERS ASSOCIATION LTD

22 May 2006

Senator the Hon Ian Campbell
Chairman Environment Protection and Heritage Council
Parliament House
CANBERRA ACT 2600

Dear Chairman

Carry Bags - A Commitment to Continuous Environmental Improvement

Please find attached the Australian National Retailers Association Report on Plastic Carry Bags – *Working Towards Continuous Environmental Improvement* – incorporating Group One Retailers report under the ARA Code.

The major supermarket chains have been instrumental in providing a significant reduction in the number of light weight plastic carry bags issued in the last two years and increasing public awareness of the environmental benefits of increased bag recycling and alternative bag re-use. They have spent in excess of \$50 million to achieve these significant reductions in the number of lightweight plastic (HDPE) carry bags issued.

Many consumers have changed their behaviour and now use and more carefully dispose of lightweight plastic carry bags. Through their efforts, lightweight plastic carry bag use by supermarkets has fallen dramatically along with a significant increase in the recycling of used bags.

A **significant** reduction of 45% in the annualized rate of lightweight plastic carry bags issued (against the December 2002 baseline) has been achieved at 31 December 2005. The major supermarket chains have reduced their bag issuance by approximately 3 billion bags over the last two years and now account for less than half of the bags issued annually.

The ARA Code sought a 50% reduction by December 2005, and the major supermarket chains remain committed to the program. They will work towards achieving the 50% reduction target by the end of 2006 through the development and introduction of environmentally approved and commercially feasible degradable bag options that can replace existing bags.

The major supermarket chains have achieved all other commitments under the Code. For example, the provision of recycling facilities and recycling awareness campaigns, Supermarket Group One Retailers, have achieved a recycling rate of 14% of HDPE bags issued.

The efforts of the past two years represent a significant community attitudinal change program that has been supported by the Government, Environmental Groups and major supermarkets. Despite these major achievements, the majority of consumers have yet to alter their behaviour.

A similar dramatic reduction could be achieved by extending the voluntary program beyond the major chains to the 100,000 small retailers not currently involved in any bag reduction program.

AUSTRALIAN NATIONAL RETAILERS ASSOCIATION LTD

The Australian National Retailers Association (ANRA) members and other Group One Retailers maintain their support for an on-going program to achieve longer-term litter reduction objectives set by the Federal and State Governments.

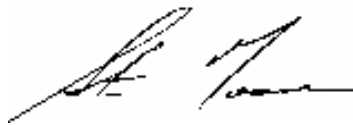
ANRA members are committed to work with Government to develop a Carry Bag Code that is based on the key objective of 'continuous environmental improvement':

- Continue to work towards achieving a further reduction by December 2006 - of 10% in plastic bag issuance against the 45% achieved at December 2005.
- Work with Government to identify environmentally and commercially feasible degradable bag alternatives suitable for large-scale introduction with further HDPE bag reductions linked to their availability.
- A review after 12 months to examine progress on practical measures for further improvements in alternative HDPE bag substitution; recycling and recycled content HDPE bags.
- Minimise litter by working with stakeholders to responsibly dispose of used carry bags and to work closely with Government and key stakeholders to develop initiatives to achieve this objective.
- Continue to optimise the use of alternative carry bags, the recycling of used light weight plastic carry bags and the recycled content of carry bags.

ANRA members have committed to adopt the ANRA Carry Bag Code that is based on continuous environmental improvement and builds on the significant improvements achieved.

In supporting a national approach to dealing with the issue of litter, and especially as it relates to singlet bags, ANRA members note that positive consumer behaviour will be the major determinate of the future success of the ANRA Carry Bag Code and litter abatement programs.

Yours sincerely,

A handwritten signature in black ink, appearing to be a stylized name, possibly 'A. H.', written over a horizontal line.

On behalf of ANRA