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Senator Anne McEwen
Chair
Senate Standing Committee on Environment,
Communications and the Arts
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Senator

I am writing on behalf of the members of the Australian National Retailers Association (ANRA) in response to your committee's inquiry into the Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2009.

ANRA represents the leading retailers in Australia. Our members are trusted household names in all retail sectors – food retailing, department stores, household goods and clothing and soft goods. ANRA members employ about 450,000 Australians or almost one-third of employees in the retail sector. Members have a combined annual turnover of about \$80 billion, accounting for one third of all retail trade.

With ANRA representing companies such as Woolworths, Coles and Franklins, we have a strong interest in supporting a competitive retail grocery sector which can deliver low prices to consumers. ANRA also supports sustainable environmental practices in the retail sector: amongst other things, the association contributes to the work of the National Packaging Covenant Council.

ANRA does not support the introduction of a container deposit scheme. ANRA shares the general concerns expressed by the Australian Food and Grocery Council in its submission to the inquiry.

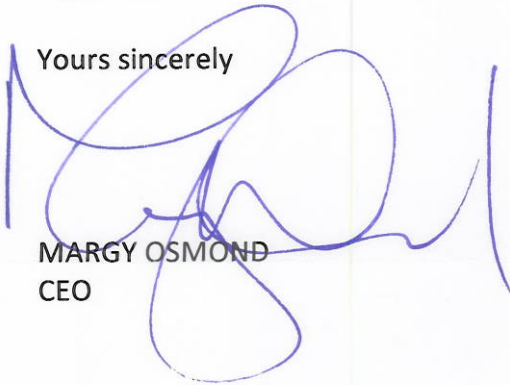
A national container deposit scheme would be costly for consumers and taxpayers. Such a scheme seems unlikely to deliver more than a marginal improvement in recycling, at an estimated annual cost of \$492 million (according to the BDA Group's *Beverage Container Investigation* report commissioned by the Environment Protection and Heritage Council). It is worth quoting at length the key finding of the *Beverage Container Investigation* report:

The Container Deposit Scheme (CDS) is relatively expensive at an economic cost of \$492 million per year. Unlike the other options which focus new investment only on the additional packaging and containers to be recovered, a national CDS would require significant changes to collection and handling systems for all beverage containers, including those already being more cost-effectively recovered through municipal kerbside systems. With an estimated additional annual recovery of around 333,000 tonnes of packaging materials (beverage containers) the cost-effectiveness of CDS is around \$1,500 per additional tonne recycled. CDS could result in a 6.0% reduction in litter count or 19% by volume.

The scheme would inevitably see costs feed through to higher retail prices, with a disproportionate impact on low and middle income consumers.

ANRA would urge the committee to support existing government-industry initiatives, such as the National Packaging Covenant, and a holistic policy approach involving a comprehensive national litter strategy rather than the superficially appealing option of container deposit legislation.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Margy Osmond', written over the printed name and title.

MARGY OSMOND
CEO