Ministry for the Environment
Manatū Mō Te Taiao

New Zealand Bag Ban

RETAILER ENGAGEMENT PROGRAM

RETAILER SURVEYS AUGUST – OCTOBER 2020

Sensitivity classification

Key Findings

From August to October 2020, the Ministry for the Environment surveyed 263 retailers across New Zealand to gather data on current retailer perceptions, knowledge and concerns in relation to the ban.

Small or independent businesses were over-represented in the survey (as intended).

Awareness

98% of retailers are aware of the ban.

Current bags

- Only 9% of New Zealand retailers surveyed still offer some form of plastic bag compared to 73% before the ban. **91% of retailers are not using plastic bags**.
- Of those using plastic bags only 2% were judged as close to or below the required thickness, suggesting **98% compliance with the ban**.
- **46% of retailers now offer virgin paper bags** as their primary bag option, mainly using these due to company policy, followed by cost efficiency.
- Retailers also use non-woven bags, recycled content paper bags, and 16% don't offer bags at all.
- 48% of retailers used up their non-compliant bags before the ban.
- More work may be needed to encourage retailers to consider recycled or sustainably sourced paper alternatives.

Bag consumption

- **71% of retailers now use fewer bags** – not just plastic bags but any form of bag.
- 131 retailers reported a decrease in the bags being used/taken, with an average of 60% drop in consumption.
- An average of **36% of customers are bringing their own bags**. More work may be needed to encourage more customers to BYO.

Bag charges

- **25% of retailers charge for their bags** – a small increase from 15% pre-ban. Those that do charge saw higher drops in consumption. More could be done to encourage retailers to charge for bags (or customers to accept bag charges) to further reduce consumption.

Understanding of the ban

- **72% of retailers learned about the ban through the media**.
- **85% of retailers believe businesses will face fines** for non-compliance.
- Unfortunately **only 2% of retailers know how to report** a suspected non-compliant business. Emphasis should be placed on promoting how non-compliant retailers can be reported.

Key Findings (continued)

Retailer experience of the ban

- **92% of retailers support the ban**.
- **68% of retailers did not face any notable issues or challenges**. Those that did experience challenges cited: increased costs of alternatives, customer complaints and customers not bringing their own bags.
- **39% experienced some form of benefit**, namely: being good for the environment in general, positive feedback from customers and saving money by giving away less bags.
- Overall, the vast majority of retailers did not find the ban challenging.
- **92% were more prepared for the ban than average** with 72% very prepared.
- **Retailers felt they were more prepared than their customers** with customer preparedness varied. Customer preparedness was noticeably worse in specific areas and food retailers felt their customers were less prepared. In future particular areas and categories may warrant specific attention.
- Overall, **88% of retailers were satisfied or very satisfied** with the bag ban rollout.
- Overall retailers are very supportive of the ban, most are compliant and most had a reasonable experience with the ban's introduction.

Bans on further single-use plastic items

- **85% of retailers support further bans on single-use plastic items, however 50% of these would not be directly affected by the proposed bans.**
- The most popular suggestions for further bans are: single-use plastic straws, takeaway containers, cutlery and cups.
- Paper, recycled and biodegradable alternatives are commonly suggested, though reusable options were barely mentioned.
- Overall, **70% of retailers say further bans would mean no change** for their business.
- **Food businesses** (takeaway, cafes, restaurants) and **convenience stores/ dairies** were more likely to feel further bans would have **mixed negative / positive impacts** for their business.
- Retailers raised some **challenges**: alternatives are more expensive, alternatives do not suit the needs of the business and lack of alternatives.
- Retailers have many suggestions that could help them **better manage future bans**, with the most popular being cheaper alternatives that meet the needs of the product and business.
- The research indicates that there is retailer support for further environmental initiatives however engagement, education and advice on alternatives will be critical.

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Research Methodology

Research Methodology

Background

- The New Zealand Government implemented a nationwide ban on lightweight plastic shopping bags on 1 July 2019.
- From August to October 2020, the Ministry for the Environment surveyed 263 retailers in 23 areas across NZ to gather data on current retailer perceptions, knowledge and concerns in relation to the ban.
- The surveys were conducted verbally face-to-face, one-on-one with retail staff in their store.

Research Key Objectives

- Determine retailers' current use of plastic bags and the alternatives they are using post-ban.
- Determine retailers' experience of the ban (challenges, benefits, overall satisfaction).
- Gain insight into retailers' views on what could help them better prepare for other single-use plastic initiatives.

Research Purpose

- This survey has been conducted to assess post-ban compliance, awareness and understanding.

Research Methodology (continued)

- The interviews were conducted face-to-face with retailers in their stores.
- A total of 263 surveys were completed.

Demographics – location

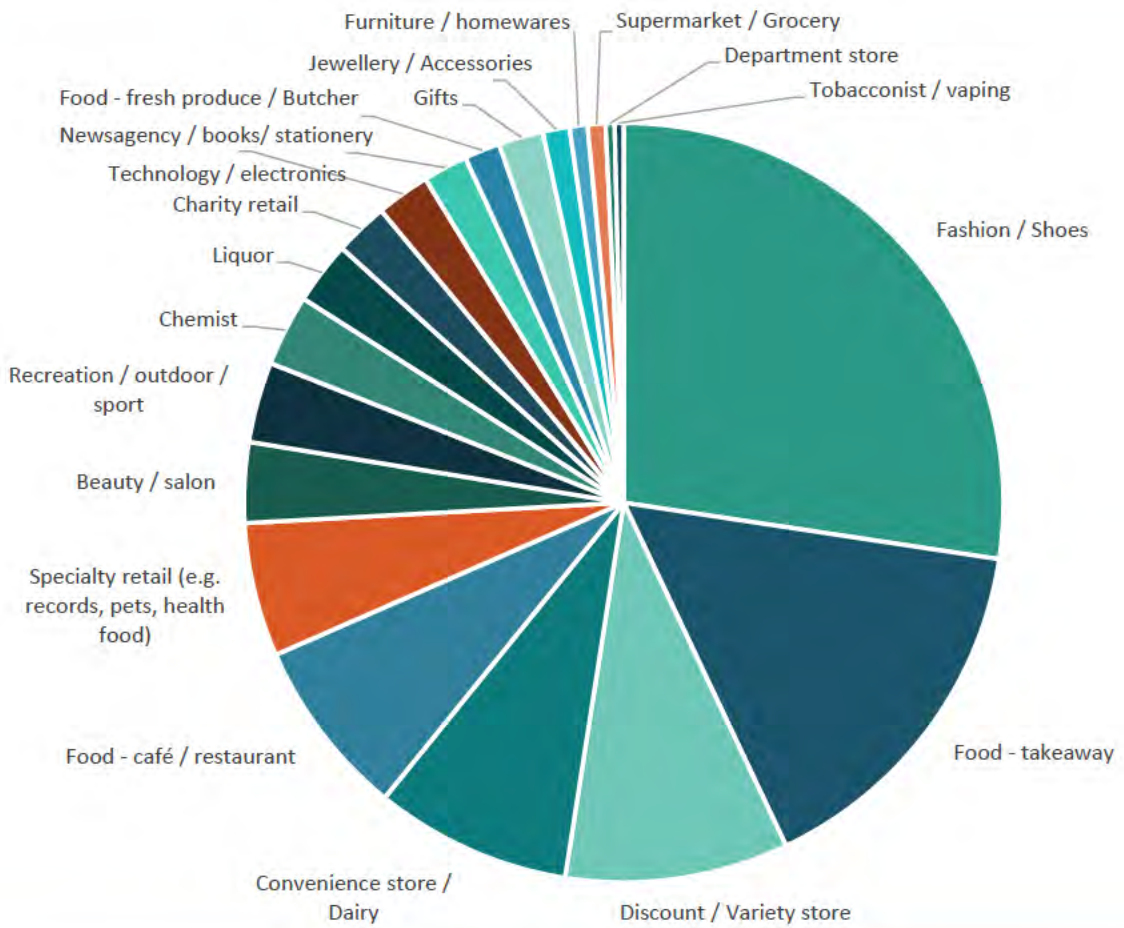
- 22 areas surveyed

Postcode	Area	Sample size	Postcode	Area	Sample Size
0612	Auckland	2	7825	Carters Beach	5
1010	Auckland	4	7910	Seaview	3
1041	Mount Roskill	2	7920	Temuka	2
1643	Onehunga	24	8011	Christchurch	18
2022	Mangere	8	8013	Christchurch	10
2024	Mangere East	4	8024	Spreydon	6
2025	Wiri	4	8025	Halswell	7
4410	Summerhill	35	8041	Fendalton	4
4500	Aramoho	26	8042	Hei Hei	23
4710	Manawatu-Wanganui	6	8053	Burnside	8
7334	Hanmer Springs	4	9012	Saint Kilda	7
7700	Canterbury	14	9016	Waverley	37

Research Methodology (continued)

Demographics – retail category

Retail category	Sample Size
Fashion / Shoes	72
Food - takeaway	41
Discount / Variety store	25
Convenience store / Dairy	22
Food - café / restaurant	20
Specialty retail (e.g. records, pets, health food)	15
Beauty / salon	9
Recreation / outdoor / sport	9
Chemist	8
Liquor	7
Charity retail	6
Technology / electronics	6
Newsagency / books/ stationery	5
Food - fresh produce / Butcher	4
Gifts	5
Jewellery / Accessories	3
Furniture / homewares	2
Supermarket / Grocery	2
Department store	1
Tobacconist / vaping	1
Grand Total	**263**



Research Methodology (continued)

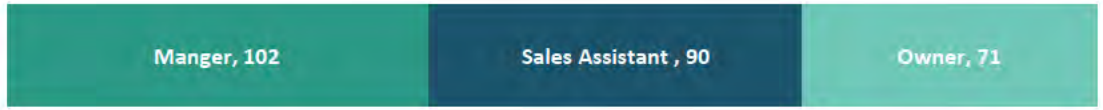
Demographics

- 99% of businesses had less than 10 full time staff members employed at the store.
- 27% were owners, 39% managers and 34% of staff interviewed were sales assistants.
- 64% were independently-owned, 24% corporately-owned and 12% were franchises.

Approximate full-time equivalent employees (FTEs)

Business model

Role of person interviewed



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Responses

1. Retailer current situation

Awareness of the ban

98% of retailers are aware of the ban

Only 4 of retailers said they were unaware of the ban

- However, 3 of these retailers later indicated they took some action to find out how to comply, this may suggest they were aware of the ban.

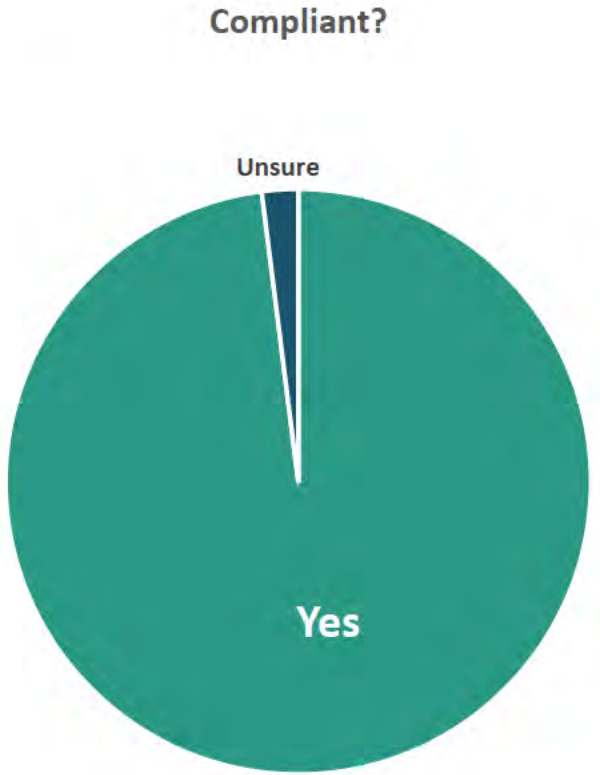
Compliance with the ban

91% of retailers are not using plastic bags, and are therefore compliant.

Of those using plastic bags, interviewers made an experienced judgement on whether the bags seemed compliant based on thickness.

Only 6 retailers (2%) were judged as close to or below the required minimum thickness.

This suggests there is 98% compliance with the ban.



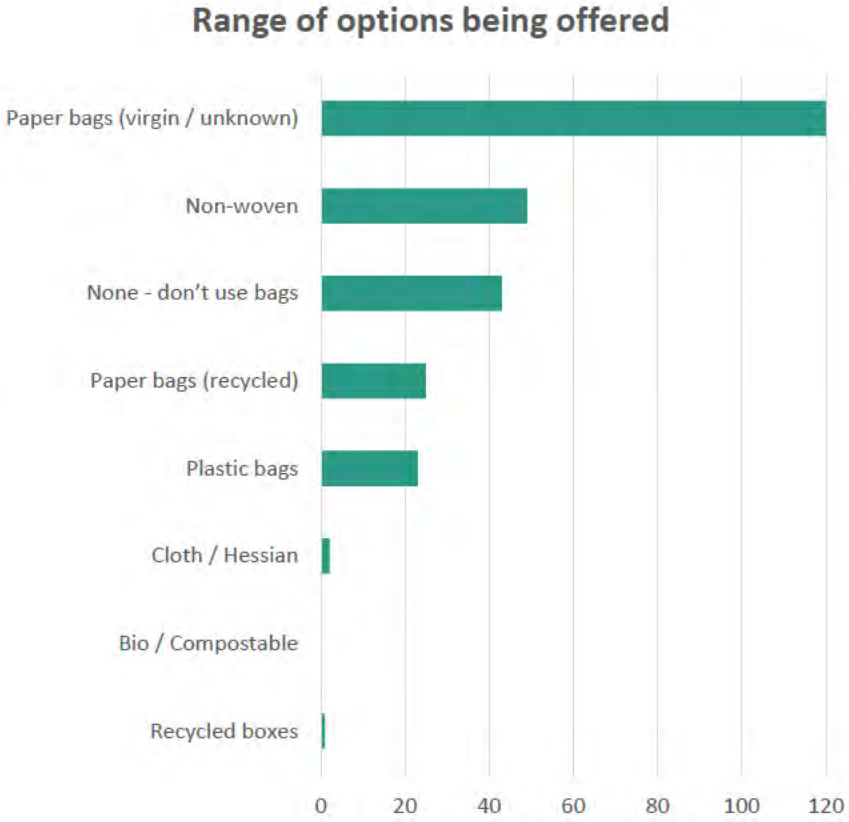
Current bags

Almost half (46%) offer paper bags made of virgin or unknown content.

- 19% offer non-woven bags as the first option
- 16% don't offer bags at all
- 10% offer paper bags which they could identify as recycled content
- 9% offer plastic bags and of these 2 use bio/compostable plastic bags
  - Bio/compostable bags are herein treated as plastic bags

66 retailers offer a second bag option

- The most popular second options in order are: recycled boxes/packaging, cloth/hessian bags, non-woven bags and paper bags.
- Only one retailer offers plastic bags as a second option

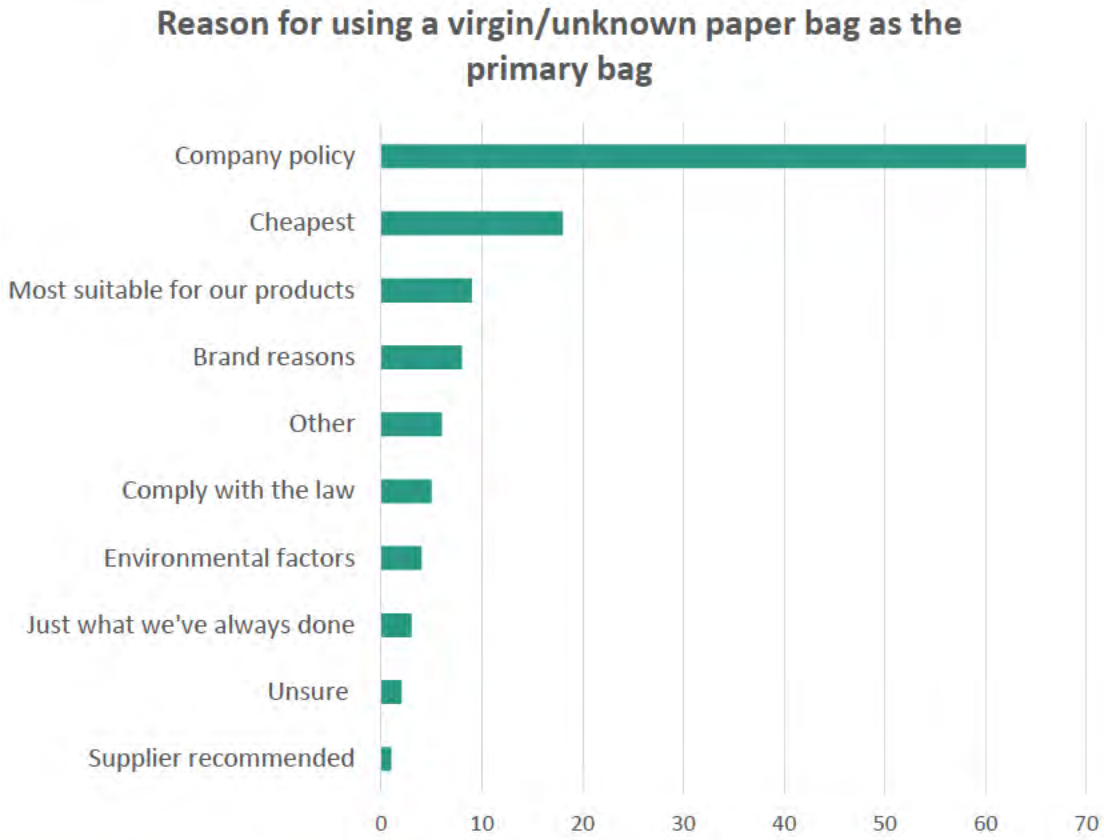


Most popular - virgin paper bags

Of the 120 retailers using **virgin/unknown paper bags** as their primary bag, they use this bag because:

- 53% say "it's company policy"
- 15% say "it's the cheapest option"
- 8% say "brand reasons"
- 8% say "most suitable for our products"
- 5% say "other"
- 4% say "compliance reasons"
- 3% say "environmental reasons"
- 3% say "it's just what we have always done"

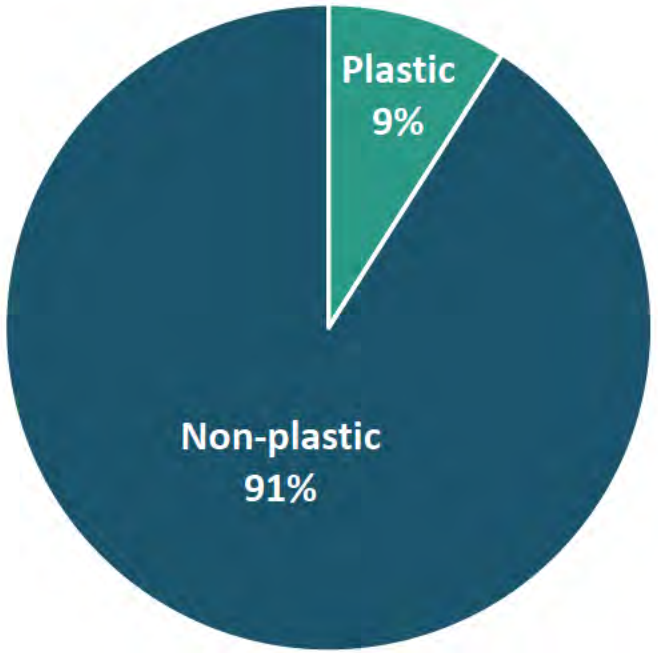
*respondents were allowed to pick multiple reasons



Who's still using plastic bags?

Only 9% of retailers still offer some form of plastic bag compared to 73% before the ban

- Of the 23 retailers who still offer some form of plastic bag, 2 retailers offer bio/compostable plastic bags
- Fashion/shoes was the highest category of plastic bag users with 9 retailers.
- Of the retailers currently using plastic bags, 35% were between 70-75 micron, 30% were unsure of their bag micron measurement.

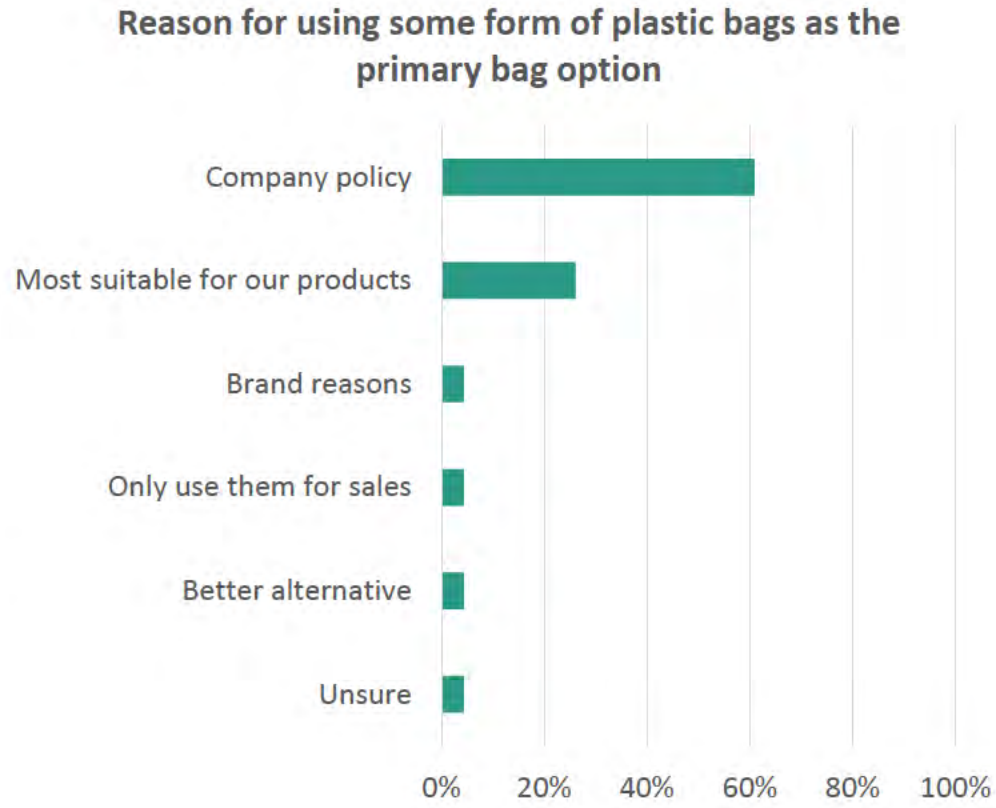


Why do some retailers still use plastic bags?

Of the 23 retailers using **plastic bags** as their primary bag, they use this bag because:

- **Company Policy** (61%)
  - Mostly fashion/footwear, liquor, technology/electronics restaurants, gift stores
- **It's most suitable for our products** (22%)
  - Mostly food - café/restaurant
- Other (16%)
  - 1 "only use plastic for sales", 1 "brand reasons", 1 "better alternative", 1 "unsure"
  - Variety of categories

*respondents were allowed to pick multiple reasons



Are retailers using fewer bags?

71% of retailers now use fewer bags

Of these retailers, 28% now charge for bags.

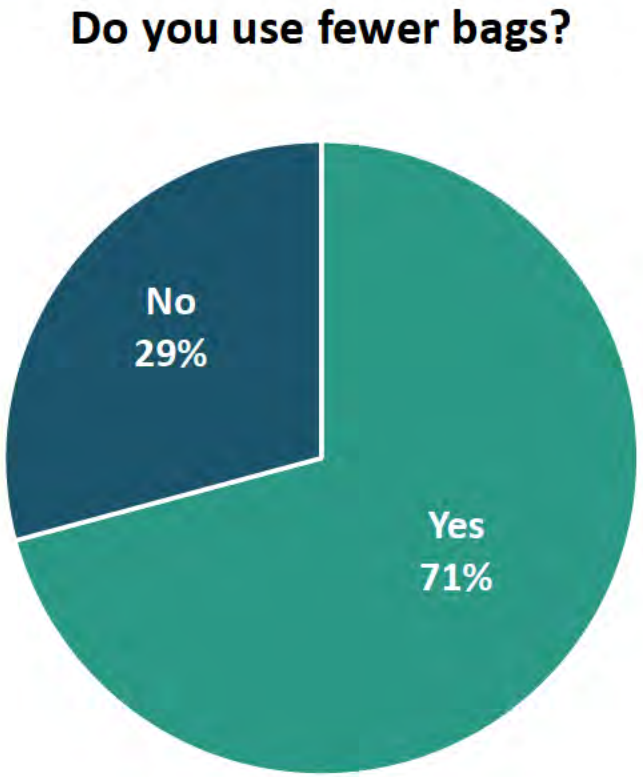
29% said they do **not** use fewer bags

- Of these retailers only 15% charged for bags
- Majority fashion/shoes and food takeaway

Businesses reported using fewer bags across all categories of bags not just plastic bags.

Of the 23 retailers who still offer some form of plastic bags, 61% said they used fewer bags after the ban.

*Note: 78 (30%) of retailers did not answer if they are now using fewer bags, because the representative was either unsure or never offered bags

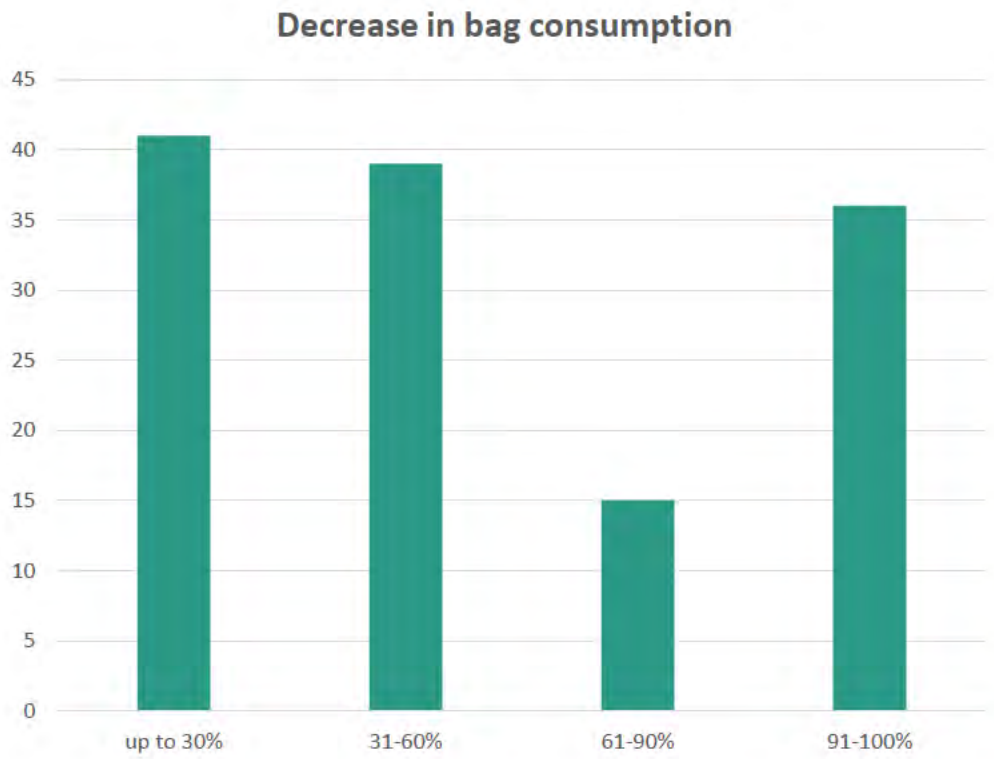


How many fewer bags are being used?

131 retailers reported a decrease in bag consumption.

On average they saw a 60% reduction.

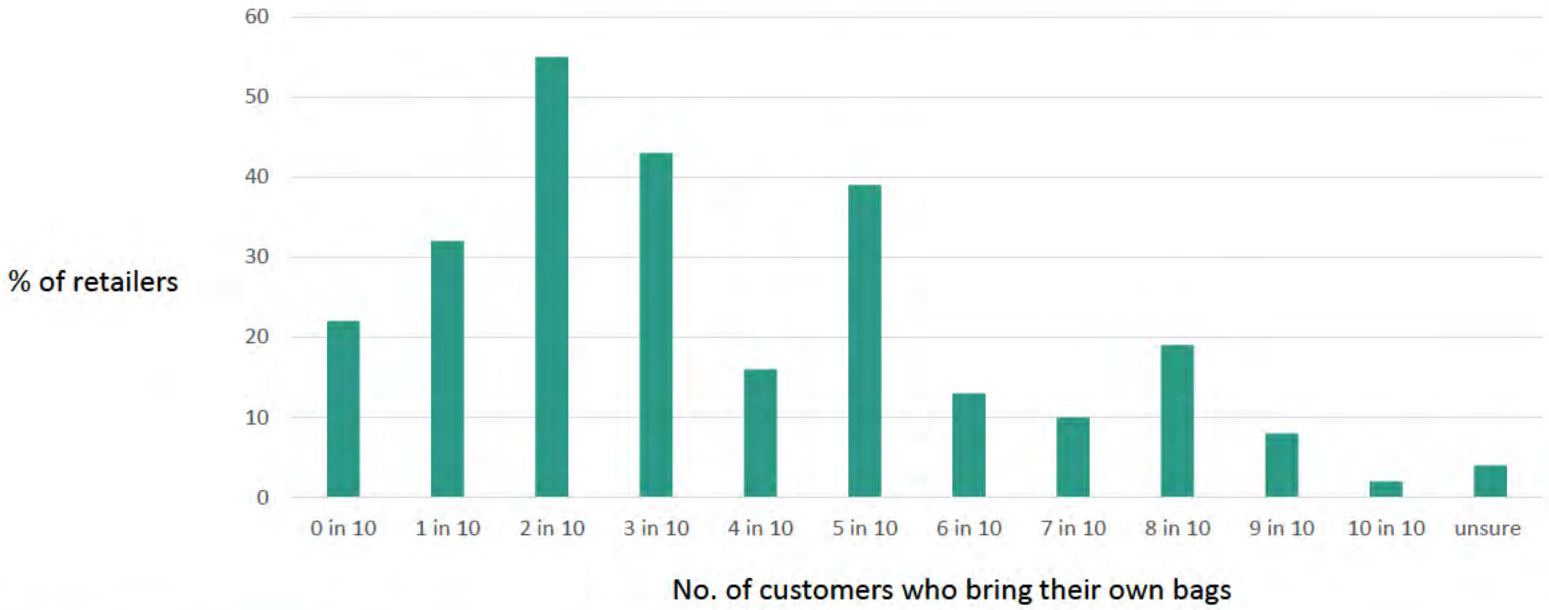
- 26 retailers saw no change.
- Only 3 retailers reported an increase – a pharmacy, takeaway restaurant and fashion store.
- 104 retailers chose not to answer or had never offered bags.



Are customers bringing their own bags?

On average, 36% of customers are bringing their own bags.

- 22 retailers said their customers do not BYO bags
- 35% said 50% or more of their customers BYO bags



An average of
3.6 out of 10
customers bring
their own bags.

Most customers do not BYO bags. Retailers may be able to further reduce consumption if customers were reminded or encouraged to bring their own bags.

Are retailers charging for bags?

25% of retailers charge for at least one of their bags, compared to 15% before the ban.

- Of the 66 businesses that charge:
  - 42% (28) charge between $0.20-0.30 for plastic, paper and non-woven bags
  - 35% (19) charge between $1.00-$1.50 for non-woven and cloth-hessian bags
- Of the 23 retailers who offer some form of plastic bag, only 6 charge.
- Of those that don't charge for bags:
  - Fashion/shoe retailers were the least likely to charge – Of the 72 fashion/shoe retailers surveyed, only 9 charge for their bags.
  - Food cafes or takeaway – 23 don't use bags, of the 38 that use bags, only 12 charge.

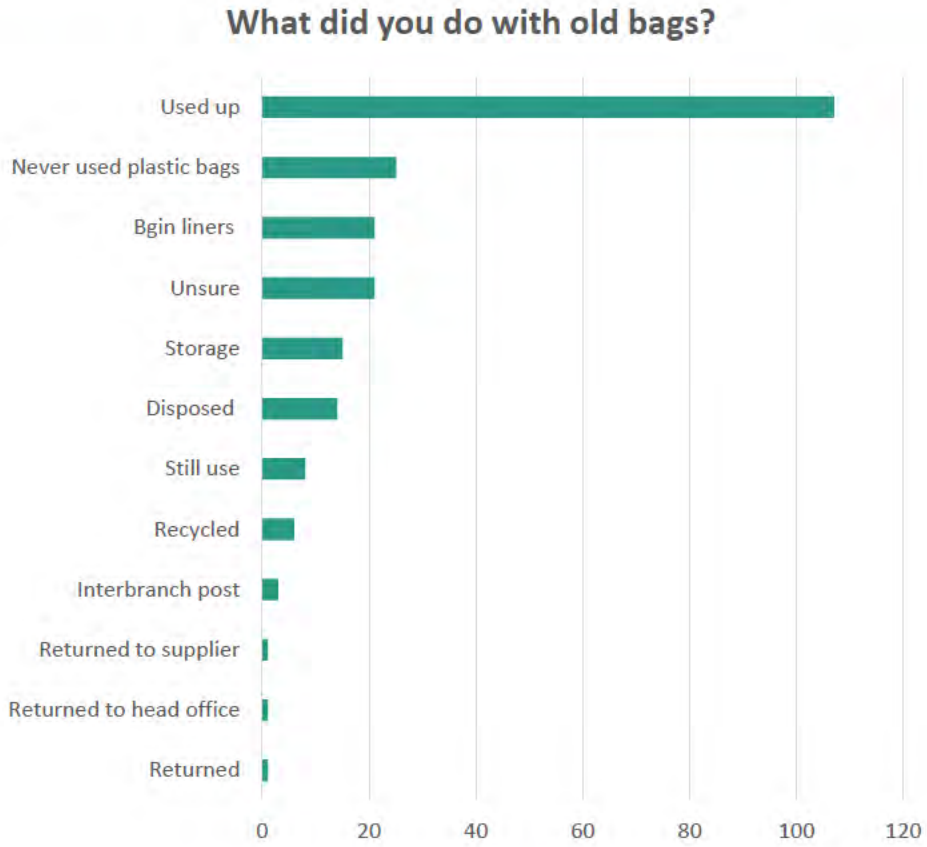
Most retailers do not currently charge for bags. Other jurisdictions have found a key driver of encouraging consumers to bring their own bags is the financial deterrent of bag fees.

What happened to old non-compliant bags?

Of those that needed to change bags:

- 48% used the bags up before the ban
- 11% never used plastic bags
- 9% used them as bin liners
- 9% were unsure
- 7% still have them onsite/in storage
- 6% disposed of the bags
- 4% still use the plastic bags
- 3% recycled them
- 1% returned them to a supplier or head office

Note: 40 retailers did not answer, the majority of these were already compliant

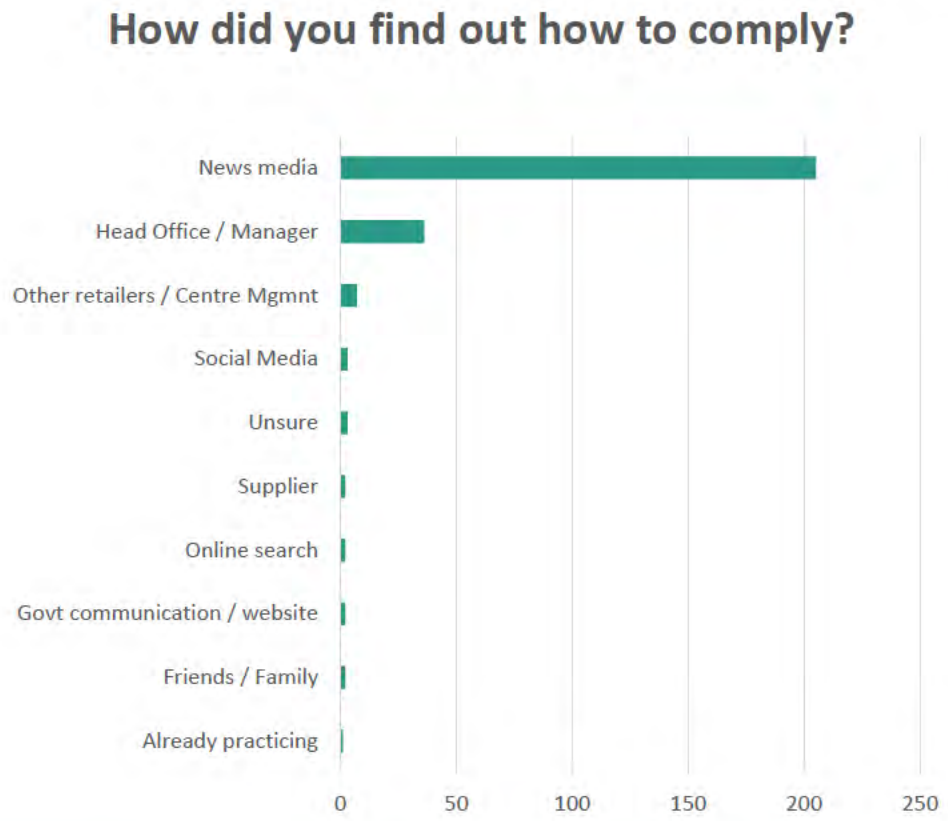


How did retailers find out how to comply?

72% of retailers found out about the ban or how to comply from the media

Other sources included:

- 21% mentioned centre management or other retailers
- 20% heard from their head office or manager
- 14% did an online search



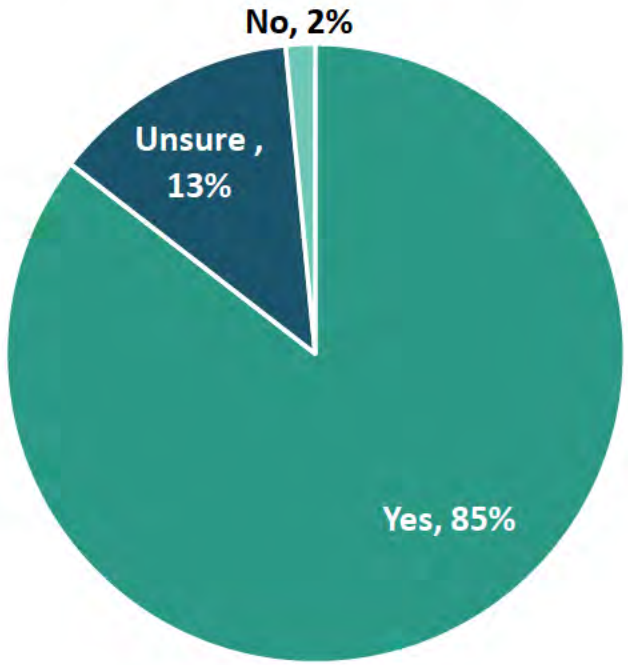
*respondents were allowed to pick multiple reasons

Perception of penalties

85% of retailers believe businesses WILL face fines if they don't comply

- 13% were unsure
- Only 2% thought that fines won't apply

Will non-compliant businesses face fines?

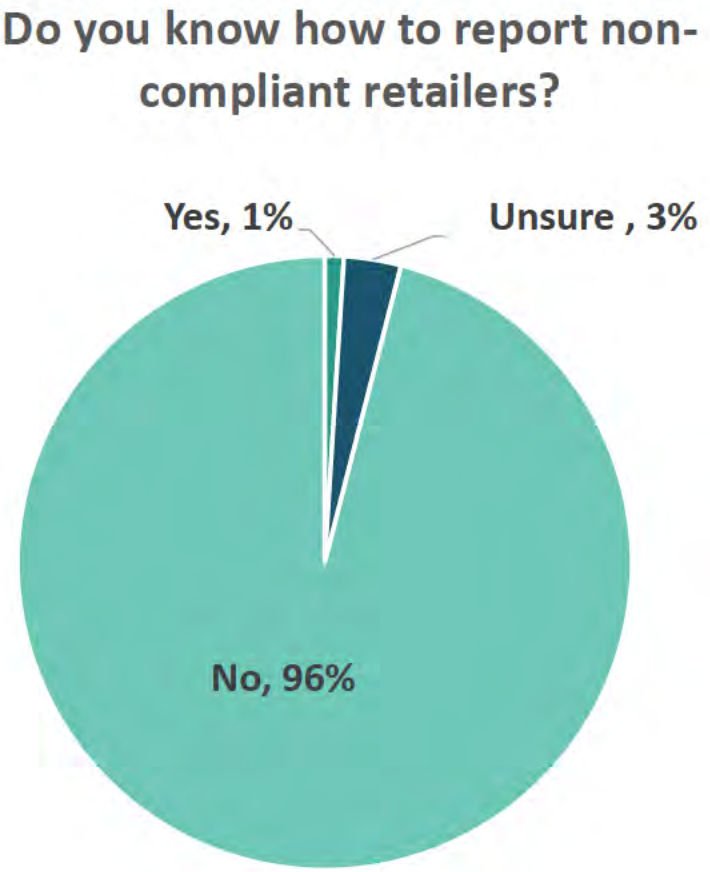


Reporting non-compliance

96% of retailers did NOT know how to report a business using banned bags.

Only 2% knew how to report a non-compliant business.

Though retailers strongly believe fines will be applied, they do not know how to report a suspected breach. More promotion of reporting channels should be considered.



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Responses

2. Retailer experience of the ban

Support for the ban

92% of retailers support the ban

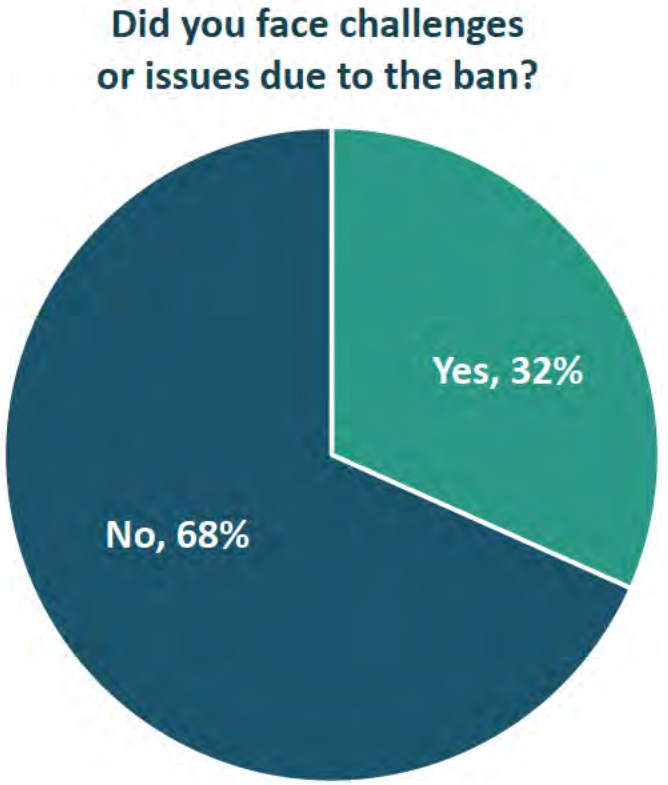
- 78% “strongly support” the ban
- 14% “somewhat support the ban"
- 3% felt “Mixed” about the ban
- 2% had “No opinion”
- 1% were “unsure”
- 1% “Somewhat oppose the ban”
- 1% “Strongly oppose the ban”

Support of the ban did not seem affected by role type, business model, location, retail category or use of plastic bags before the ban.

Challenges or issues faced

- 68% said they did not face any issues or challenges

- 32% (83 retailers) said they faced issues or challenges due to the ban.
  - The most common businesses that believed they faced issues were Food/takeaway (19), Fashion/shoes (14) and Discount/variety (10)
  - **Of the retailers that experienced challenges 93% offered plastic bags before the ban**



Challenges or issues faced (cont.)

- The most common challenges were:
  - Increased costs for alternative bags (37)
  - Customer complaints at not being provided with a bag (30)
  - Customer complaints about the bag charge (18)
  - Customers don't bring their own bag (8)

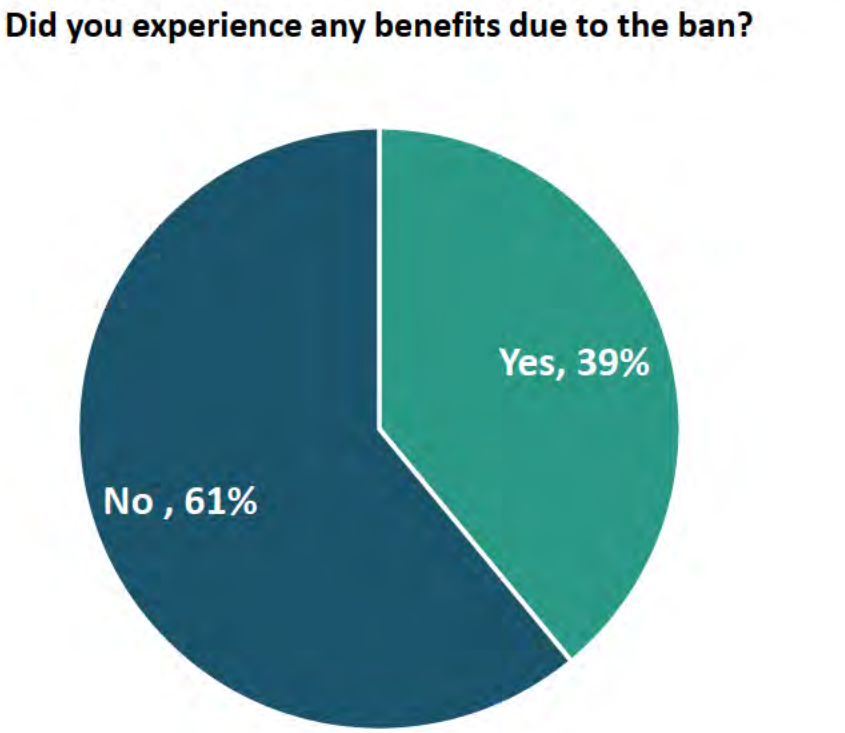
- Of the businesses who reported an increase in costs, 73% did not charge for their bags.

Retailers are still hesitant to introduce a bag charge despite bag charges helping to reduce issues with increased costs and encouraging customers to bring their own bag. Further support could be provided to these retailers to encourage them to reduce costs by charging for bags.

*respondents were allowed to pick multiple reasons

Benefits experienced

- 61% (159) said they did not experience any benefits due to the ban
- 39% (104) said they experienced some benefits
- 14% of businesses experienced both benefits and challenges

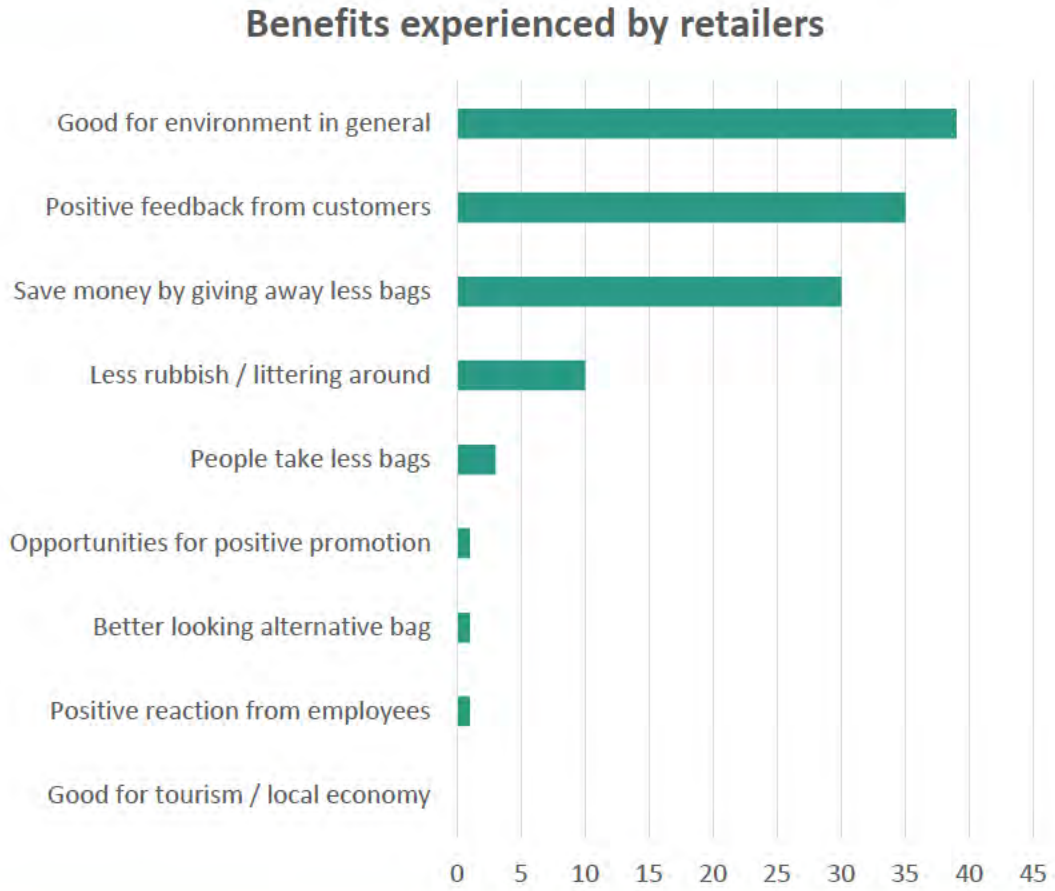


Benefits experienced (cont.)

- The most common benefits were:
  - Good for the environment in general (39)
  - Positive feedback from customers (35)
  - Save money by giving away less bags (30)
  - Less rubbish/littering around (10)

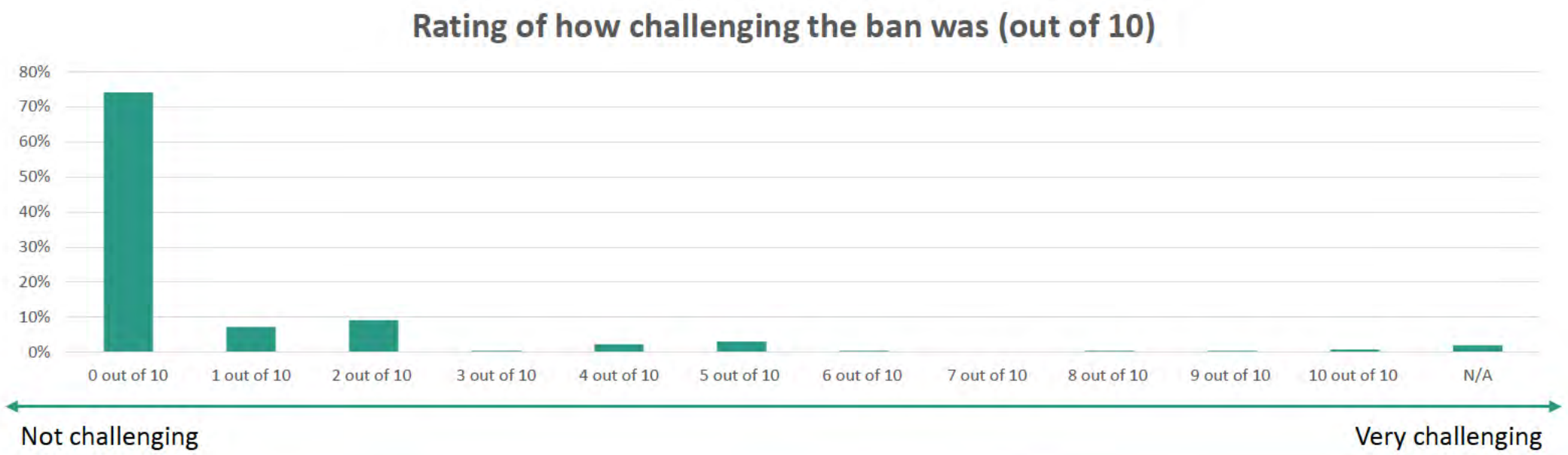
- Since the ban, people are taking less bags which is positive for the environment and for retailers in terms of cost.
  - One retailer reported $1k approximate savings on bags
  - The opportunity to save money should be further promoted to retailers.

*respondents were allowed to pick multiple reasons



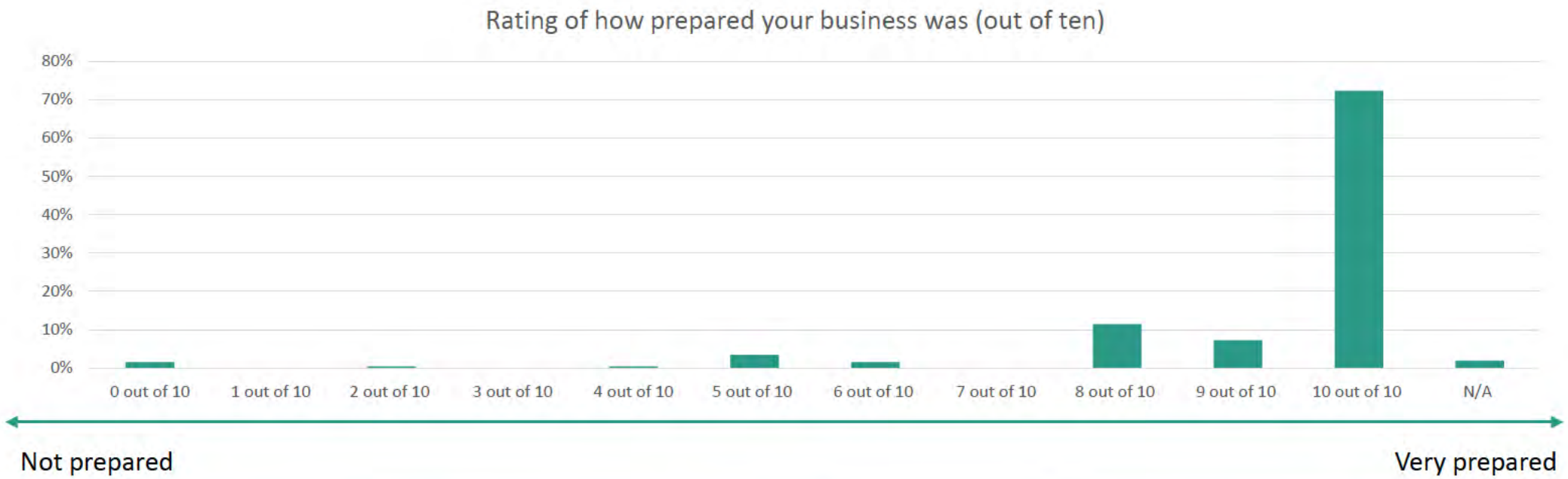
Overall experience of the ban

- 74% of retailers ranked the ban as “not challenging at all” (0 out of 10)
- 93% ranked the ban as “less challenging than average” (4 or less out of 10).



Business preparedness

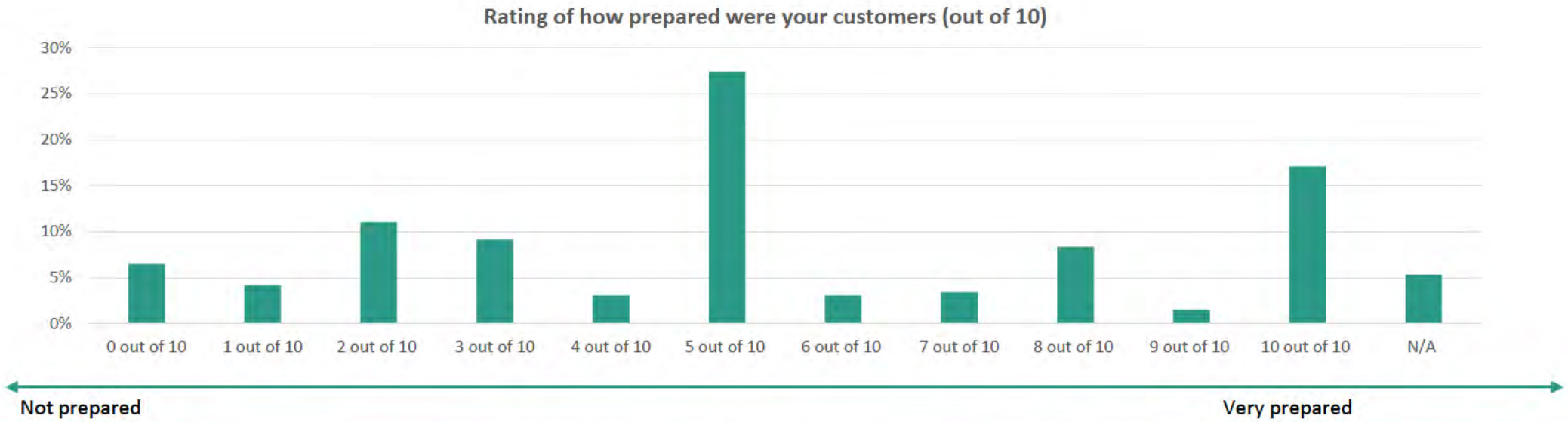
- 72% of retailers said they were “very prepared" for the ban
- 92% were "more prepared than average" (6 or more out of 10)



Customer preparedness

Retailers felt they were more prepared than their customers.

- 34% felt their customers were less prepared than average (4 or less out of 10)
- 27% felt customers had "average preparedness"(5 out of 10)
- 33% felt their customers were more prepared than average (6 or more out of 10)



Customer preparedness (cont.)

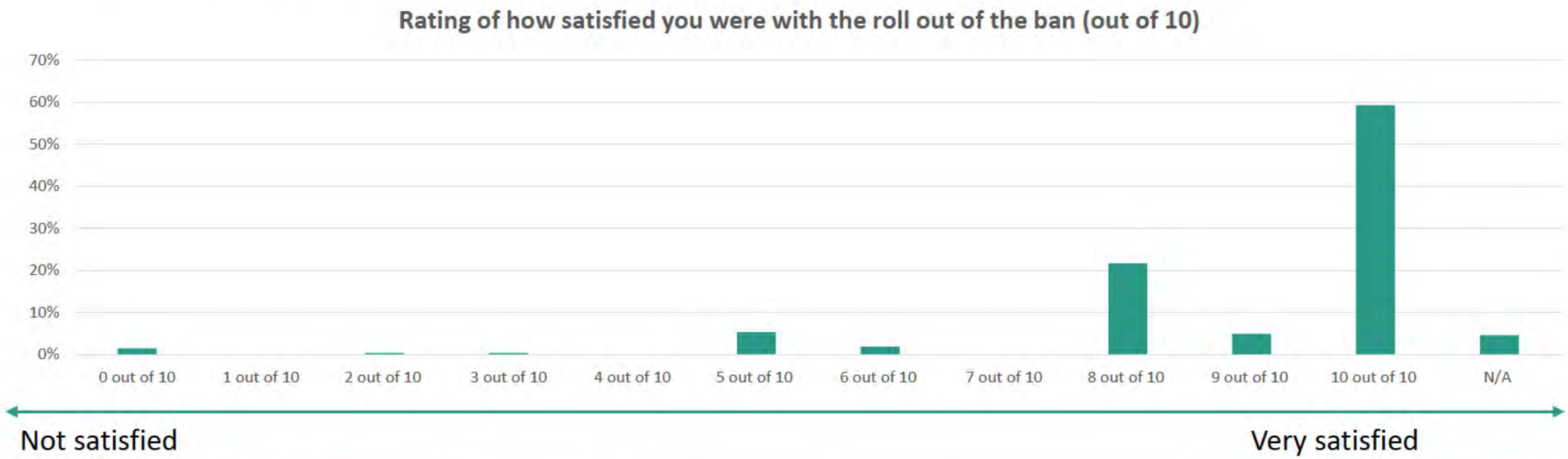
- 17 retailers answered “not prepared at all” (0 out of 10):
  - 24% of these retailers were in Hei Hei. A further 24% of these retailers were located close by in Burnside. This suggests location may impact on customer preparation, for example, low media or government messaging penetration.

- Food (takeaway food/café/restaurant) businesses were more likely to feel their customers were less prepared. This suggests customers may not have understood the ban applied to all retailers not just ‘traditional’ retail. This has been a common misconception in other jurisdictions.

Satisfaction with bag ban rollout

88% were more satisfied than average (6 or more out of 10)

- 59% of retailers were very satisfied (10 out of 10) with the rollout
- Only 6 retailers were not satisfied less than average (4 or less out of 10). These retailers were more likely to be “not prepared” for the ban.



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Responses

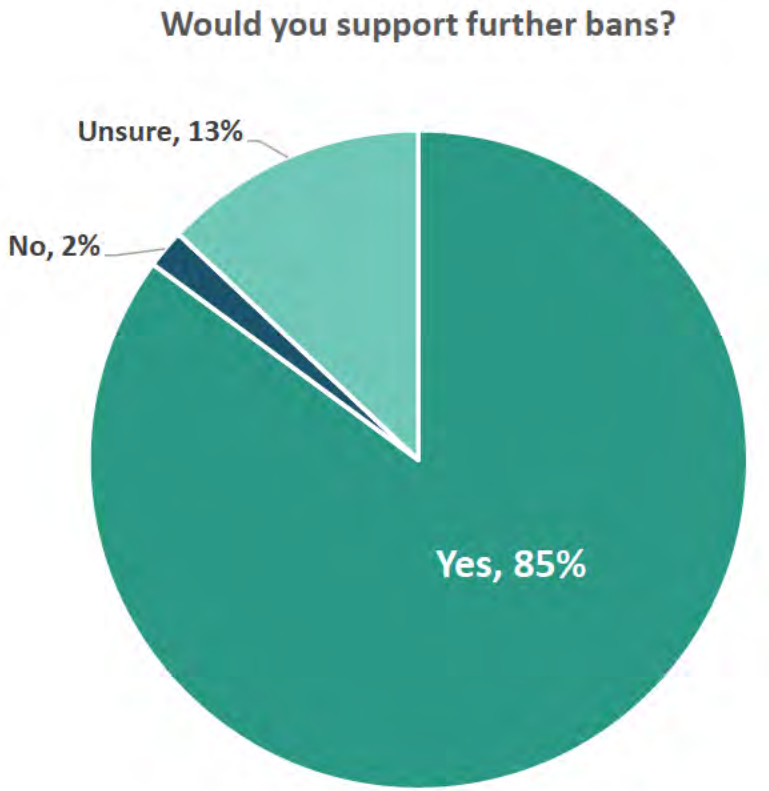
3. Further bans on single-use plastic

Note: all 263 retailers were surveyed on the following questions regardless of whether proposed bans impacted their business category.

General support for further bans

85% of retailers would support bans on one or more single-use plastic items

Important: 50% of the 223 retailers who support further bans also said such bans would not be applicable to their business. Therefore their support may need to be considered personal rather than representative of the business.



Identified items for further bans

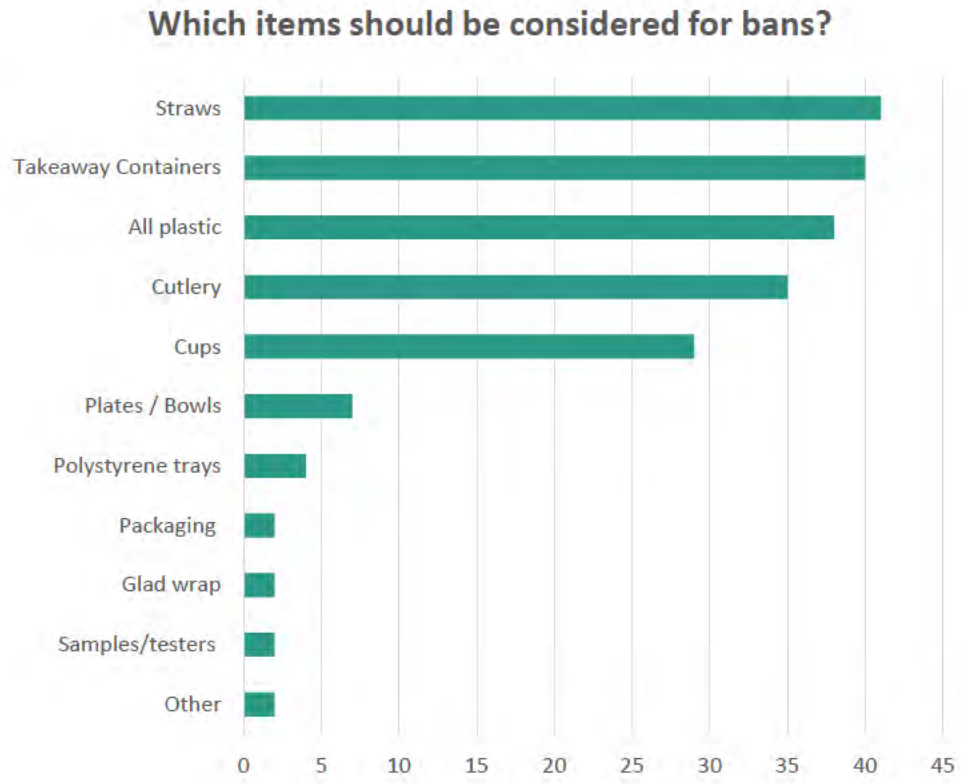
202 retailers suggested items to be considered for bans.

1. **Straws** – 41 retailers were supportive of banning straws with many mentioning they could use paper alternatives.
2. **Takeaway containers -** there was support but retailers noted alternatives would have to become cheaper and fit for purpose (ie. could hold hot liquids).
3. **Cutlery -** retailers are generally supportive but many mentioned need for cheaper alternatives first.
4. **Cups –** retailers are generally supportive.

- Other items were mentioned a few times - plates/bowls, polystyrene trays, packaging, glad wrap, samples/testers

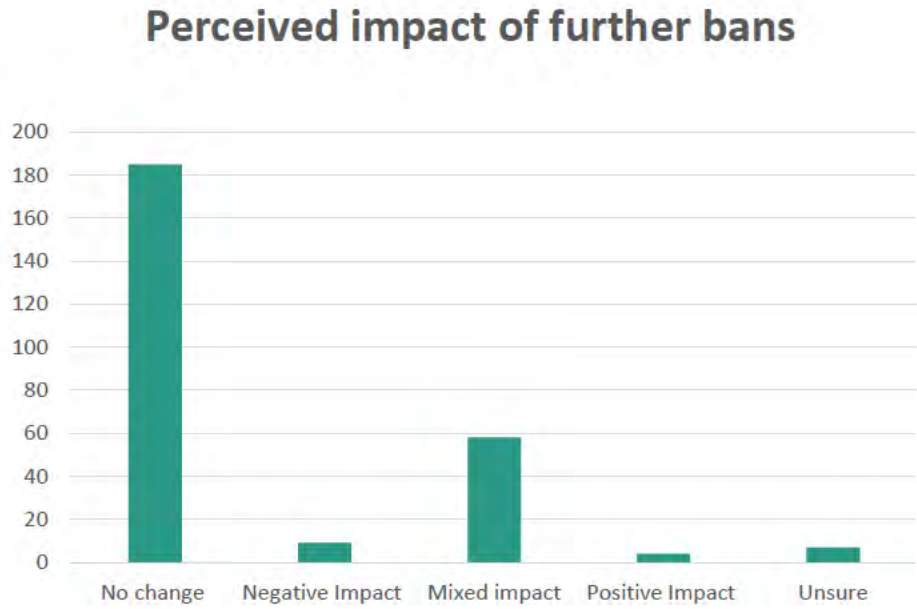
- **38 retailers supported banning 'all plastic'.** Notably, 35 of these retailers said the bans would not be applicable to their business anyway.

This question was free-form and respondents could suggest items. Respondents were allowed to mention multiple items.



Perception of impact

- 70% said further bans would have no change for their business
  - Majority were fashion, discount/variety, specialty stores
- 22% say further bans would have a mixed positive and negative impact
  - The majority were takeaway food, café, restaurants and dairies
- 3% say further bans would have a negative impact
  - Assortment of dairies, fresh produce, takeaway food and discount outlets.

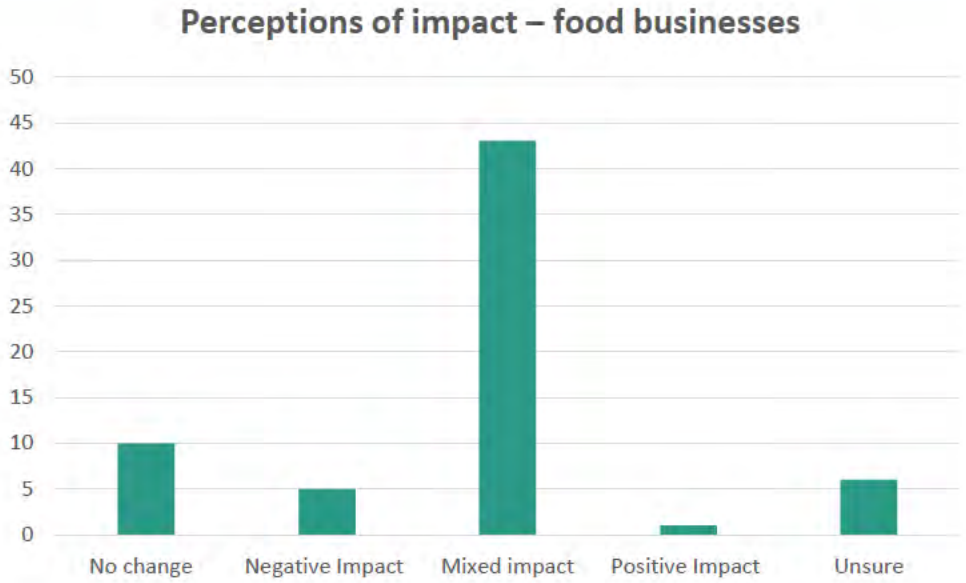


Impact on business - food

It is important to separate and analyse responses from businesses which currently use the items being proposed for bans such as straws, cutlery, takeaway containers, cups, and bowls. The vast majority of these will be food businesses (takeaway, cafes, restaurants) and convenience stores/dairies.

- Of the 65 food businesses (takeaway, cafes, restaurants) surveyed, the majority (43) thought SUP bans would have a mixed impact.
- Convenience stores/dairies were also more likely to have mixed or negative perceptions compared to other categories.

	Food businesses	Convenience/ dairy	Other retail
No change	10	10	165
Negative impact	5	2	5
Mixed impact	43	9	6
Positive impact	1	1	2
Unsure	6	0	1



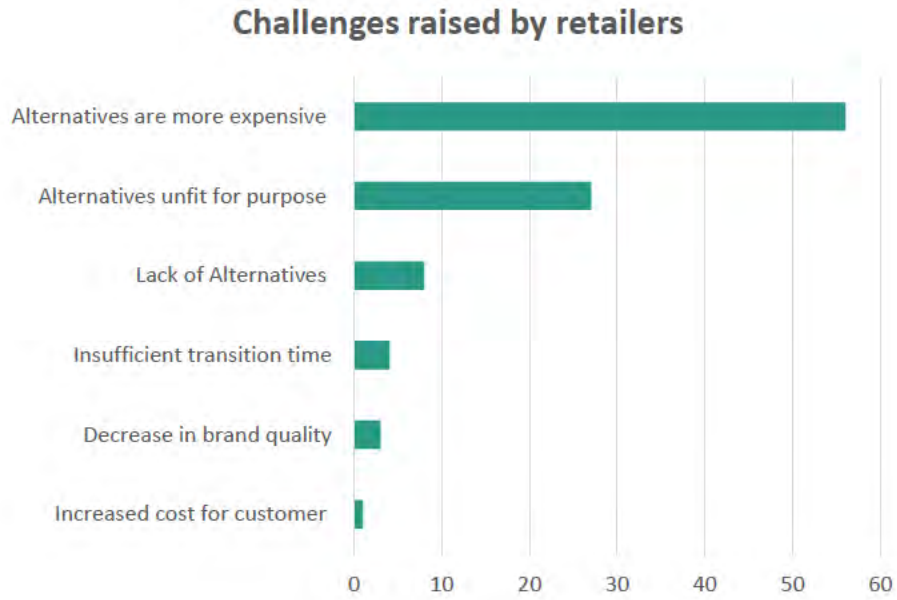
Consultation and education for further bans should focus on the businesses likely to be impacted, which are also the most likely to have concerns at this point.

Challenges raised

The main challenges raised were:

1. Alternatives are more expensive - cost reasons were raised by 56 retailers
2. Alternatives do not suit the needs of the business
   - *"Paper not as effective as plastic"*
   - *"Paper cups not appropriate for hot liquids"*
   - *"Plastic is not good for meat"*
3. Lack of viable alternatives

Food takeaway/café/restaurants had the most concerns about further bans.



*respondents were allowed to pick multiple reasons

Alternatives to SUPs

- **Paper** was the most common with 33 mentions
  - Was mostly when retailers had supported a ban on straws.
  - However some retailers did mention that not all customers approve of paper straws

- **Recycled** was mentioned 10 times
  - "Recycled food grade containers“**,** "Recycled paper cups“, "Recycled packaging"

- **Biodegradable** was mentioned 9 times

- Other suggestions:
  - Bamboo and wood were each suggested twice
  - 1 retailer mentioned cornflour as an alternative
  - 1 retailer suggested selling metal straws and another suggested using metal cutlery

Of interest is that retailers did not suggest ceasing to stock disposable items as an alternative, and very few suggested reusable options.

10% of retailers were unsure what they would use, suggesting the need for further retailer engagement and education before further bans.

Several retailers mentioned a particular supplier by name (Biopak). Care should be taken to ensure alternatives are available from multiple suppliers and retailers are aware of these to prevent monopoly of supply and price inelasticity.

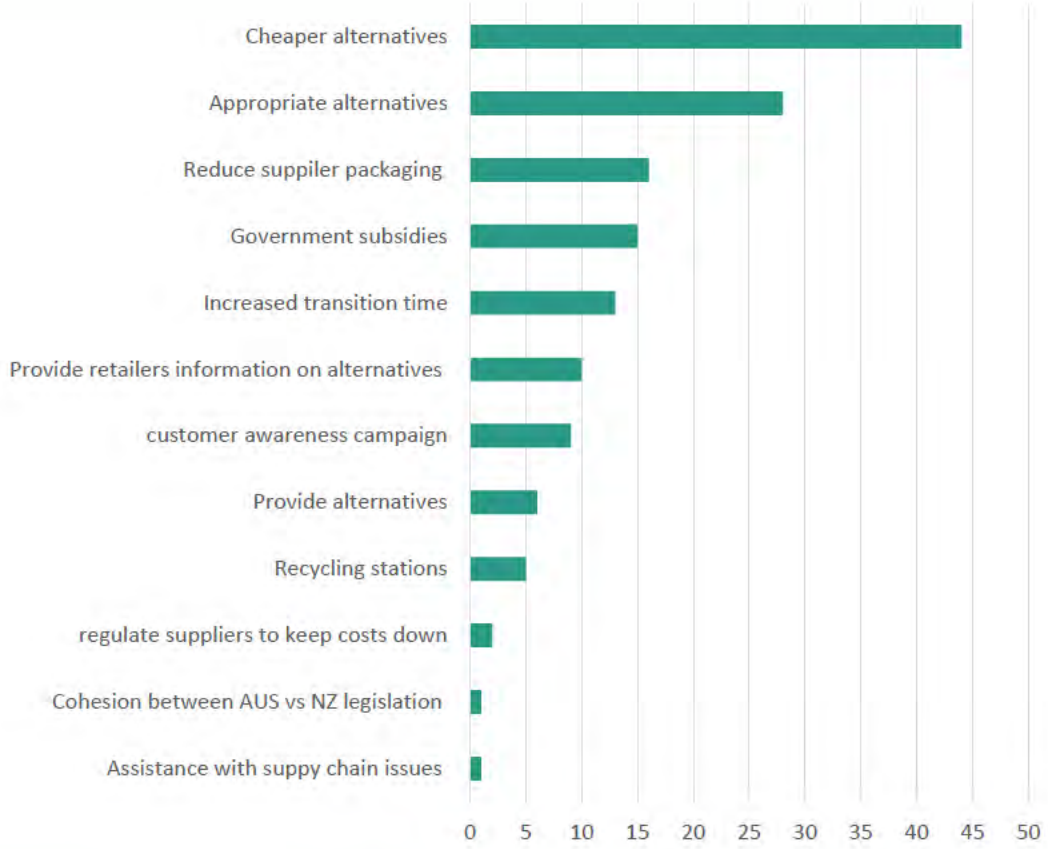
Improvements for future bans

101 retailers had suggestions for what could better help them with future bans:

The most popular suggestions were:

1. Cheaper alternatives
2. Alternatives that meet the needs of the business
3. Reduction in supplier's packaging
4. Government subsidies
5. Increased transition time

62% of retailers did not have any suggestions



*respondents were allowed to pick multiple reasons

Key recommendations re further bans

- The findings of this research indicate that there is support for further bans on single use plastic.
- However retailers are uncertain about:
  - Where to find alternatives that meet their needs
  - Sourcing cost effective alternatives
  - 10% were unaware and unsure of what they would use as a replacement
- **There is a clear need for further retailer engagement and education before introducing additional bans**
- Those businesses more likely to be affected by further bans (ie. takeaway, café and restaurants) will need personalised engagement to identify the specific issues facing these business and will need personalised resources to overcome these challenges

Ministry for the Environment
Manatū Mō Te Taiao