



Australian Packaging Covenant

Australia Post

Action Plan 2011 – 2015

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Managing Director and CEO endorsement

I am pleased to present Australia Post's Packaging Covenant Action Plan to the Australian Packaging Covenant Council.

This document acknowledges that our commitment under the former National Packaging Covenant, which ended in June 2010, now extends to the new Australian Packaging Covenant program. The Action Plan commits Australia Post to continuing the work it commenced in 2005, seeking to reduce the environmental impacts of the packaging related to our business activities. This document therefore provides a practical framework for implementing improvements in our packaging practices over the 2011 to 2015 period.

Australia Post's participation in the Australian Packaging Covenant serves multiple objectives associated with our commitment to sustainable business practices. This includes:

- Provision of a framework for the organisation to continue to demonstrate and develop a strong ethic of product stewardship.
- Delivering ongoing improvements in managing packaging responsibly and minimising solid waste generation rates.
- Continued benchmarking of our packaging related environmental performance.
- Partnering with our supply chain to achieve positive environmental outcomes.
- Producing an annual progress report of the achievements made whilst implementing this Action Plan.

We are confident that Australia Post can continue to show leadership in this area of our environmental performance, and we look forward to working with our business partners and the Australian Packaging Covenant Council in our delivery of the program presented in this action plan.

Ahmed Fahour

Managing Director and Chief Executive Officer

1 Introduction

The Australian Packaging Covenant (APC) is “an agreement between companies in the supply chain and the Australian Packaging Covenant Council to reduce the environmental impacts of consumer packaging.” The APC replaced the National Packaging Covenant program that ceased on 30 June 2010.

The Covenant is based on the principle of product stewardship and the shared responsibility for managing the environmental impact of packaging throughout the supply chain. The APC subscribes to three performance goals, which are:

1. **Design** – optimise packaging to use resources efficiently and reduce environmental impact without compromising product quality and safety
2. **Recycling** – efficiently collect and recycle packaging
3. **Product stewardship** – demonstrate commitment by all signatories.

Australia Post is a willing signatory to the Covenant, and has been since 2005. The actions plans and targets under the Covenant provide a program of work for Australia Post to effectively reduce the environmental impacts of our packaging and drive us towards a more sustainable future.

As such, this Action Plan has been developed to assist Australia Post in delivering in its obligations under the Covenant, and to continue to reduce the environmental impacts of our packaging across our supply chain.

1.1 Purpose of the document

This document is a formal commitment of actions that are to be implemented by Australia Post as our APC Action Plan for 2011–2015. Specifically, it outlines:

- Australia Post’s company profile, and information regarding our brand-owned packaging products
- our Action Plan’s scope, as aligned to the APC
- the proposed management of this program, including the key internal stakeholders
- a summary of our previous achievements from our former NPC Action Plan
- our specific targets set to reflect the achievement of these goals as outlined in this action plan
- the action items and the schedule for implementation to achieve our targets
- information on KPI reporting, data capture and methods for calculating this data
- a complete list of all our brand-owned packaging as an appendix.

2 Company overview

2.1 Company profile

Australia Post is a government business enterprise (GBE) operating under the Australian Postal Corporation Act 1989. We are a self-funding business that uses its assets and resources in order to earn profits, which can be reinvested in the business or returned as dividends to our shareholder, the Commonwealth Government.

Australia Post's origins can be traced back to 1809, when former convict Isaac Nichols was appointed as the nation's first postmaster and opened a post office in his home in George Street, Sydney. Our formal commercial origins lie in the first postal act of 1825, which enabled the New South Wales governor to fix postage rates and appoint postmasters outside of Sydney.

Under the Australian Postal Corporation Act 1989, we became a GBE with a board of directors and a charter to operate commercially while meeting a number of community service obligations.

In regard to the information relevant to the APC:

- Australia Post's annual packaging related turnover during the 2009–10 financial year was \$339.7 million
- Australia Post employs 34,457 people (2009–10).

2.2 Corporate structure

Australian Postal Corporation's structure of controlled entities and joint ventures is listed below.

Entity name	Ownership percentage
AP International Holdings Pty Ltd	100%
Australia Post Transaction Services Pty Ltd	100%
Australian air Express Pty Ltd	50%
AUX Investments Pty Ltd	50%
corProcure Pty Ltd	100%
Decipha Pty Ltd	100%
Geospend Pty Ltd	100%
iPrint Corporate Pty Ltd	50%
Lakewood Logistics Pty Ltd	100%
Post Fulfilment Online Pty Ltd	100%
Post Logistics Australasia Pty Ltd	100%
Postcorp Developments Pty Ltd	100%
POSTLogistics (Hong Kong) Pte Ltd	100%
Printsoft Holdings Pty Ltd	100%
Sai Cheng Logistics International Company Ltd (China)	49%
Secure Pay Holdings Pty Ltd	100%
Secure Pay Pty Ltd	100%
SnapX Pty Ltd	100%
Sprintpak Pty Ltd	100%
Star Track Express Holdings Pty Ltd	50%
Wetherill Park Partnership	50%

2.3 Organisational structure

Australia Post's organisational structure is comprised of four strategic business units which are profit and loss driven and five functional business units used to support and drive the business. The two business units most relevant to this action plan are the:

- **Retail Services** – business unit encompasses all products and services offered in Australia Post's retail outlets, including our branded retail products sold into the Australian market which is the primary focus the Covenant
- **Corporate Services** – business unit includes our procurement and property management functions.

The strategic business units encompass other services such as postal, logistics and eServices and other functional business units include finance, strategy and marketing, and people and community.

2.4 Retail facility network

In 2009–10, Australia Post retail network comprised of around 4,415 retail outlets nation wide, including:

- 810 corporate retail outlets
- 2,963 licensed / franchised outlets
- 642 community postal agencies.

2.5 Location in the packaging chain

With regard to the APC, Australia Post occupies a retailer or brand owner position in the packaging chain. This requires all of our brand owned products to be covered by our action plan.

2.6 Retail brand ownership

Significant brand owned retail product lines include:

- Post Office Supplies
- POSTPAK
- Registered Post
- Express Post
- Stamps
- Postage Prepaid
- Parcel Post.

A full list of Australia Post's brand-owned products is provided in Appendix A.

2.7 Providing packaging as a product

A significant part of Australia Post's retail activity involves providing packaging product lines, such as envelopes, mailing boxes, etc.

As part of the APC and reporting, Australia Post defines all postal packages as primary packaging, regardless of the fact that they are actually the purchased product rather than a form of packaging. This position has been adopted by Australia Post to accept responsibility for releasing this product into the market, and to capture these products under the APC. If we were not to include them, then the impact from these types of products would not be captured. The packaging products sold by Australia Post are a significant form of packaging and it is recognised that their inclusion under the APC is a desirable outcome.

Australia Post also recognises our responsibility to report on primary packaging (in the typical sense) that forms part of our business activities. However no distinction will be made between the primary packaging sold by Australia Post into the market (comprising packaging products), and the packaging materials sold with products. Both categories will be aggregated and described as primary packaging throughout our reports.

2.8 Packaging materials and formats

Australia Post provides packaging as products; the main materials used in our packaging are paper based and plastics. We use a combination of various flexible plastics for products such as our mailing satchel and bubble wrap. Rigid plastics are used for the packaging of computer accessories, stationery etc.

Australia Post does not use any hazardous materials for any of its packaging.

3 Scope

The following information describes the scope of our APC reporting requirements, including;

- The period covered by this Action Plan
- The base year used for progress reporting
- The subsidiaries and joint ventures covered in this Action Plan
- The packaging that is included in this Action Plan.

3.1 Action Plan reporting period

This Action Plan has been set according to the APC guidelines of a maximum five-year period, starting July 2010 and ending by June 2015, which is the five financial periods starting 2010–11 to 2014–15.

Also, it is acknowledged that the Action Plan period can be a “rolling” five-year period, meaning after the first two years’ of implementation, it is ideal to review and update the Action Plan to redefine the actions and goals to keep them relevant into the future.

3.2 Base year

The base year selected for setting our targets, and measuring our KPIs is the financial year 2009–10 (July 2009 to June 2010), which was the final year of our previous action plan.

Australia Post has been collecting KPI data since 2005–06, and will continue to use this data to recognise our past achievements since becoming a signatory to the APC (formerly the NPC).

3.3 Corporate boundary

As outlined in the section above, the Australian Postal Corporation has a number of wholly owned subsidiaries and part owned joint ventures. Activities within the scope of this action plan include those of Australia Post’s wholly owned subsidiaries operating under the “operational control” of Australia Post and within the Australia border, as defined by the APC guidelines and other reporting legislation such as the *National Greenhouse and Energy Reporting Act*.

Conversely, any activities from subsidiaries or joint ventures not within our operational control, or operating outside of Australia are not included in the scope of this action plan.

3.4 Product lines and retail facilities sales

The product / packaging lines that will be covered in the 2011–2015 Action Plan includes all Australia Post ‘brand-owned’ products that are sold into the Australian market.

This also includes any brand-owned products sold across our licensed / franchised outlets. Our scope directly aligns with the Covenant’s objectives of addressing the environmental impacts of packaging sold into the Australian market.

4 Plan management

The following section outlines the business units within Australia Post which are responsible for the management and implementation of this Action Plan. The Sustainability Unit will effectively oversee and manage this Action Plan and the APC working group will carry out the implementation of the action outlined in our plan.

4.1 Appointed covenant officer

The Australia Post Covenant Officer is responsible for project management of the 2011–2015 Action Plan and reporting on its progress. For further information regarding this Australian Packaging Covenant Action Plan or any other Australian Packaging Covenant related matters please contact:

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4.2 APC working group

The Australia Post's 2011–2015 Action Plan will be implemented by a cross functional team, each with specific areas of responsibility and deliverables. Australia Post's APC working group will consist of members from across our business such as;

- Sustainability unit
- Merchandise services
- Procurement
- Real estate
- Community engagement
- Distribution and warehousing.

The APC working group has been established to oversee the development of this action plan, and will continue to function as the group responsible for the implementation of the action items.

5 Summary of previous achievements

Australia Post has been a signatory of the APC (formerly the NPC) since 2002 and Australia Post has worked hard to minimise the environmental impacts of its packaging materials.

As part of developing a new action plan, it is important to acknowledge our previous achievements so as to effectively target new areas for improvement. The following section is a summary of Australia Post's key achievements to date under the NPC.

5.1 KPI and baseline data management

Australia Post invested significant effort into improving the systems used to manage the data and information required for APC key performance indicators (KPIs) reporting. Some of the major developments were:

- In 2009, the Australia Post packaging information database was developed to capture and manage our Australia Post brand-owned packaging data, including the material types, recycled content, recyclability, supplier information and annual sales figures. This system significantly enhanced the accuracy and consistency of our KPI reporting.
- In addition, we have continued to develop our environmental inventory management system that captures and manages our energy, fuel, water and waste consumption data and carbon emissions from our facilities. We tailor made some reports to produce some APC KPIs, to ensure accurate, auditable and consistent reporting.

5.2 Packaging design

In 2008, Australia Post developed our *Packaging Design* guidelines, which were based on the NPC Environmental Code of Practice for Packaging (EcOPP) adopted principles. These design principles were used to revise our new and existing packaging and as a result a number of initiatives were implemented by our product managers, such as;

- the rebranding of our POSTpak packaging products range in 2009 to include labelling of environmental credentials
- the introduction of a smaller, stronger "bubble" in some bubble wrap products which has up to 50 per cent recycled content
- the introduction of up to 66 per cent recycled board in our mailing boxes
- the reduction of all shrink film from 15 micrometres (μm^1) to $11\mu\text{m}$, saving approximately 600kg of material per year
- satchel liners are now packed in $11\mu\text{m}$ shrink film as opposed to two poly bags of $40\mu\text{m}$, resulting in a saving of 34,000 bags per year
- the review and modification of our pallet configurations for transportation, which reduced our pallet spaces by approximately 786 per year
- the phasing out of the supply of disposable retail plastic bags and introduced a reusable carry bag
- the design of new packaging products with regard to sustainability packaging principles such as the shredded paper filled padded bag.

As a result of all the modifications to our products and the initiatives we implemented, we have significantly improved our KPIs for packaging design, such as;

- Increased the average percentage of recycled content in our packaging from 28 per cent in 2006–07 to 44 per cent in 2009–10

¹ A micrometre (μm) is equivalent to one thousandth of a millimetre

- Increased the average percentage of packaging that was recyclable from 84.3 per cent in 2006–07 to 91.9 per cent in 2009–10
- Improved the product to packaging ratio from 14.2:1 to 20.1:1. This reflects the fact that a large number of Australia Post products are sold with limited or any primary packaging.

We also conducted a number of Life Cycle Assessment's (LCAs) on our key products and services, which provided a detailed understanding of the environmental impacts associated and opportunities to reduce associated greenhouse gas emissions.

5.3 Recycling

The main area of focus with regard to recycling was to improve the recyclability of our own products, and to increase the recycling services at our operating facilities. In collaboration with Australia Post's Corporate Real Estate Unit and the Environment Unit, our key achievements in this area were:

- An increase in the proportion of materials recycled at our facilities: 29 per cent in 2006 up to 37 per cent in 2009.
- A continual increase in the number of our facilities with the main types of recycling services. From 2006 to 2009 our recycling services increased for the waste types;
 - Paper – 42.4 to 54.1%
 - Cardboard – 23.5 to 37.9%
 - Commingled – 0.6 to 2.0%
- Continuation of our staff education campaign which included a staff competition, poster campaign and the expansion of our online environmental data tool.
- Conducted waste management assessments at three sites in Victoria. As a result around ten waste management or reduction initiatives were identified for assessment and potential implementation.

5.4 Product stewardship

In 2008–09 Australia Post developed a Corporate Responsibility Strategy, and one of the goals was to “integrate sustainable sourcing across our supply chain”. In pursuit of this goal, some of the key achievements to date are;

- A supplier code of conduct has been developed and implemented which contains clauses relating to ethical business practices, management practices which respect the rights of employees and local communities and impact on the environment.
- Also, the code of conduct is now a mandatory inclusion of all new contracts, and existing contracted suppliers have been updated to comply with the new code of conduct. As at 30 June 2010, approximately 70 per cent of contracted suppliers were covered by the code of conduct.
- Continuation of the integration of sustainable sourcing resulting in several major contracts including purchasing 54 hybrid vehicles, ensuring our fuel supplier was managing and reducing the environmental risks associated with fuel production and supply, and ensured that our polypropylene mail bags are recycled.
- Supported a range of community recycling initiatives which utilise our extensive retail network. These include mobile phone recycling by providing free MobileMuster recycling satchels through all our retail outlets and cartridge recycling through the Cartridges 4 Planet Ark program. In the 2009–10 financial year we helped to recycle over 81,000 mobile phones through our retail outlets and over 520,000 cartridges.
- In 2009–10 the Australia Post board endorsed the Carbon Reduction Strategy which sets a corporate target of reduction our greenhouse gas emissions by 25 per cent by 2020 (based on 2000 levels), which included considerations to scope 3 emission sources ie from suppliers and contractors.

6 Targets and action items

Australia Post has developed the following targets and action items to ensure the obligations of the APC are met within our five-year action plan period. Our targets have been set in line with APC targets and the action items outline how we are going to achieve these targets over the period of the action plan.

6.1 Targets

Australia Post's 2011–2015 Action Plan targets are outlined below, and includes the relating APC goal and KPI, the baseline and the target to be achieved by the end of this Action Plan's five-year cycle in 2014–15.

These targets have been developed where quantitative data is available to set a baseline and monitor progress throughout the five years' of our action plan. The action plan also includes many measures that will be satisfied by qualitative evidence rather than data. Refer to the following section for more details of our actions and measures.

Target	KPI	Baseline (2009–10)	Target (2014–15)
1. Design			
1.1. 100 per cent of new products are reviewed using the SPG	KPI 1	0%	100%
1.2. 100 per cent of existing products reviewed using the SPG (~33 per cent per annum)	KPI 1	0%	100%
1.3. Increase recycled content of packaging to 50 per cent	KPI 1D	44%	50%
2. Recycling			
2.1. Increase amount of packaging that is recyclable to 94 per cent	KPI 2A	92%	94%
2.2. Seek to increase overall waste diversion of non-hazardous solid waste from landfill to 70 per cent in line with APC target	KPI 2B	32%	70%
3. Product Stewardship			
3.1. All contracted suppliers covered by supplier code of conduct	KPI 6	70%	100%
3.2. All procurement evaluations for goods and services are subject to assessment against sustainability criteria that includes APC requirements	KPI 6	n/a	100%

6.2 Action Plan 2011–15

The Actions are categorised by the three key APC goals – Design, Recycling and Product Stewardship. Each action has an associated performance measure, target, nominated responsibility and timings for completion.

Actions (by performance goals)	Performance measure and evidence	Target	Responsibility	KPI	Timeframe (Year)
Goal 1: Design – Packaging optimised to achieve resource efficiency and reduce environmental impact without compromising product quality and safety.					
1. Review and update the Australia Post Packaging Design Guidelines (PDG) with the intended deliverables of the APC Sustainable Packaging Guidelines (SPG).	(i) Produce an updated SPG (PDG) document including a review template. (ii) All reviews to use template to retain evidence for auditing.	Target 1.1 – 100% of new packaging reviewed.	Sustainability Unit	KPI 1	1
2. Apply the revised and updated SPG to all new packaging products and report on implementation.	Completed SPG review checklists.	Target 1.1 – 100% of new packaging reviewed.	Product managers	KPI 1	1 – 5
3. Develop a schedule for the review of all existing packaging against the revised PDG over the life of this action plan.	(i) Produce a packaging review schedule and present on website. (ii) Review schedule is endorsed by product category managers.	Target 1.2 – 100% of existing packaging reviewed. (~33% per year)	Sustainability Unit	KPI 1	1
4. Apply the revised PDG to all existing packaging based on the packaging review schedule and report on implementation.	Completed SPG review checklists.	Target 1.2 – 100% of existing packaging reviewed. (~33% per year)	Product managers	KPI 1	2 – 5
5. Establish APC working group to review existing packaging against SPG, and to communicate progress and initiatives for APC reporting.	Meeting minutes.	Target 1.1 – 100% of new packaging reviewed. Target 1.2 – 100% of existing packaging reviewed.	Sustainability Unit	KPI 1	1 – 5

Actions (by performance goals)	Performance measure and evidence	Target	Responsibility	KPI	Timeframe (Year)
6. Undertake Life Cycle Analysis (LCA) on packaging with high sales volume to identify the aspects of the packaging with the highest environmental impact.	LCAs results documented on packaging products prioritised by sales quantity (kg) or other benchmarking methods.	LCAs are conducted for our highest impact packaging.	Sustainability Unit	KPI 1	2 – 5
7. Review new and existing LCA information and completed SPG review checklists for opportunities to: <ul style="list-style-type: none"> • Avoid or minimise the use of materials and other resources (eg water & energy consumption in production & transport) • Optimise recyclability and recycled content. 	(i) Document the opportunities identified and communicated with Product managers. (ii) Implement changes where viable.	Target 1.3 –increase packaging recycled content to 50%. Target 2.1 –increase the packaging that are recyclable to over 95%.	Sustainability Unit Product managers	KPI 1 KPI 4	2 – 5
8. Link SPG review process and implementation to Australia Post’s Carbon Reduction Strategy.	Any initiatives identified for implementation reported under Scope 3 carbon reduction strategy.	Report annual on all implemented initiatives addressing our Scope 3 emissions	Sustainability Unit	KPI 1	1
9. Report on changes in relation to packaging design, manufacture, marketing, distribution, consumer accessibility, litter management and supply chain management, which minimise environmental impacts in line with the SPG.	Packaging changes identified and quantified.	Report on all implemented initiatives with environmental benefits.	Sustainability Unit Product managers	KPI 1 KPI 6 – 7	1 – 5
10. Assess emerging environmental and packaging trends for improved environmental performance	(i) Conduct desktop research, attend events on environmental or packaging issues. (ii) Provide Australia Post product managers updates on trends and developments.	Provide product managers with an update twice per year.	Sustainability Unit	KPI 1	2 – 5

Actions (by performance goals)	Performance measure and evidence	Target	Responsibility	KPI	Timeframe (Year)
11. Continue to implement Australia Post's Corporate Responsibility Policy and Strategy, which includes a focus on "sustainable sourcing".	Continued implementation of Corporate Responsibility Strategy.	Reported in annual Australia Post Corporate Responsibility Report.	Sourcing Sustainability Unit	KPI 1	1 – 5
12. Continue to expand and promote to consumers Australia Post-branded sustainable products and packaging, and ensure that environmental labelling on products is consistent and where necessary meet the requirements of AS/NZS 14021 – Self declared environmental claims.	Reviews undertaken for packaging environmental labelling of existing and new products with recycled content and / or is recyclable.	Rebranding undertaken for any product groups where necessary, to ensure 100% compliance with AS/NZS: 14021.	Sustainability Unit Product managers	KPI 1	1 – 5
13. Continue investigation into the potential of a carbon label or carbon neutral products	Documented research, and feasibility studies into carbon labels or carbon neutral products.	Develop a range of carbon neutral products and services and / or carbon label.	Sustainability Unit Product managers	KPI	1 – 5
14. Continue to review and reduce unnecessary in-store packaging where feasible (eg shelf packs).	Ongoing development of research into in-store packaging assessments and reduction programs.	All in-store packaging is reviewed for having a purpose.	Product managers Sustainability	KPI 1	1 – 5
15. Optimise the use of distribution packaging by reusing cardboard boxes through internal distribution chains.	Discussions held with relevant logistics managers to review opportunity cardboard reuse programs at major warehouses. Implement programs where feasible.	Increase of reused secondary packaging at distribution warehouses.	Sustainability Unit	KPI 1	2 – 5
Goal 2: Recycling – The efficient collection and recycling of packaging.					
16. Implement changes to primary packaging to increase the proportion that are recyclable through current kerbside recycling systems.	(i) Document the opportunities identified and opportunities communicated. (ii) Implement changes where viable.	Target 2.1 – increase the packaging that are recyclable to over 95%.	Sustainability Unit Product managers	KPI 2, 5, 6	1 – 5

Actions (by performance goals)	Performance measure and evidence	Target	Responsibility	KPI	Timeframe (Year)
17. Review Australia Post practices and national waste services contract(s) to determine opportunities to: <ul style="list-style-type: none"> Reduce waste to landfill Improve recovery and recycling of a broader range of materials generated (may include freight packaging – cardboard, plastic film etc). 	(i) Any opportunities being assessed and implemented for reducing waste to landfill are documented. (ii) Conduct analysis of waste inventory data for all various waste types being recovered.	Target 2.2 – Increase overall waste diversion of non-hazardous solid waste from landfill to 70% by 2015, in line with APC target.	Sustainability Unit Corporate Real Estate	KPI 2, 3, 5, 6	1 – 5
18. Conduct a series of waste audits across a range of facility types to identify the sources of waste with the aim of eliminating or substituting the waste source.	(i) Documented waste audits for a range of facility types to achieve a representative sample. (ii) Any opportunities to reduce waste at its source communicated to relevant business areas.	Target 2.2 – Increase overall waste diversion of non-hazardous solid waste from landfill to 70% by 2015, in line with APC target.	Sustainability Unit Corporate Real Estate	KPI 2, 3, 5, 6	2 – 5
19. Continue to investigate and expand the current customer product recovery programs to include other key waste types, by enabling consumers to utilise Australia Post’s mail network as a return route.	Report on new initiatives assessed for consumers to recycle key end-of-life products through Australia Post’s mail network.	Current recovery programs are continued, and if relevant, programs for new waste types are included.	Sustainability Unit Community Engagement	KPI 2, 3, 5, 7	1 – 5
Goal 3: Product Stewardship – A demonstrated commitment to product stewardship by the supply chain and other signatories					
20. Monitor the number of packaging suppliers who are signatories to the APC.	Status of signatories on APC website reviewed in July each year and reported in annual report .	Seek to have all suppliers signatories to the APC.	Sustainability Unit	KPI 7	1 – 5
21. Revise the information kit for suppliers and Australia Post procurement staff and supplier code of conduct for environmental specifications for packaging based on the new APC and SPG, including buy recycled policy.	Review of information kit and modifications made if required.	Supplier and procurement information kit covers all SPG strategies.	Sustainability Unit Sourcing	KPI 4, 7	1 – 2

Actions (by performance goals)	Performance measure and evidence	Target	Responsibility	KPI	Timeframe (Year)
22. Continue to make supplier code of conduct as mandatory for all new contracts and update existing contracts to comply with the code of conduct.	(i) Document any changes made to the supplier code of conduct in relation to environment and waste. (ii) All existing contracts updated with the code of conduct.	Target 3.1 – all contracted suppliers covered by supplier code of conduct (up from 70% in 2009-10).	Sustainability Unit Sourcing Retail Merchandise	KPI 4, 7, 8, 9 KPI 1	1 – 5
23. Continue to implement Australia Post's Corporate Responsibility Policy and Strategy, with the ongoing inclusion of sustainability criteria in evaluations for the procurement of all goods and services.	Review conducted of the sustainability matrix and guide to ensure SPG principles are included.	Target 3.2 – all procurement evaluations for goods and services are subject to assessment against sustainability criteria that includes APC requirements.	Sourcing Sustainability Unit Retail Merchandise	KPI 4, 7 KPI 1	1 – 5
24. Report annually against this Action Plan to the APC in the format requested.	Annual Reports against this Action Plan submitted by due date (currently 31 October of each year).	Annual progress report submitted by due date each year.	Sustainability Unit	All KPIs	1 – 5
25. Use website to provide detailed reporting on Australia Post environmental performance, including APC reports.	APC Action Plan and Annual reports accessible on Australia Post website.	APC Action Plan and Annual reports accessible on Australia Post website.	Sustainability Unit	KPI 7	1 – 5
26. Actively engage in national product stewardship programs for packaging and other products / materials where appropriate to Australia Post.	Respond to opportunities for APC signatories to contribute to policy and program development (eg attend forums and respond to surveys etc.)	Undertake all opportunities to contribute where relevant.	Sustainability Unit Product managers	KPI 7	1 – 5
27. Review the current action plan after the first two years' of implementation to ensure long term goals are still relevant.	(i) Undertake a review of the progress and achievements made after the first two years' of implementation. (ii) Produce updated action plan if required.	Produce an updated action plan developed and endorsed if required.	Sustainability Unit	n/a	3

7 KPI reporting and baseline data

Australia Post has adopted the new Australia Packaging Covenants KPIs. In most cases, the KPIs once reported for the former National Packaging Covenant are the same, and therefore have the same data management procedures. This also provides the opportunity for the organisation to continue to track achievements over time.

The KPIs as they relate to the APC are identified and a description is provided on how the data is gathered, and what records are maintained to track performance against commitments.

Also, the data from 2009–10 NPC report has been included as we have chosen this data as our baseline for reporting against for this Action Plan.

The KPIs relevant for Australia Post as a brand-owner are:

APC KPI	Data set description
All KPIs	Annual reporting against Action Plan.
1. Design	
KPI 1(A – C)	Total weight of consumer packaging (domestic and imported) sold per annum into the Australian market and the total weight of products packaged.
KPI 1 (D)	Percentage of recycled content in packaging.
KPI 1 (E)	Changes to packaging that relate to the implementation of SPG.
2. Recycling	
KPI 2 (A)	Total weight, by type, of “non-recyclable” packaging sold per annum into the Australian market.
KPI 2 (B)	Estimated tonnage of consumer packaging recycled and sent to landfill respectively, from on site collection facilities.
KPI 3	Percentage of signatories with on-site recovery systems for recycling used packaging.
KPI 4	Implementation of policy to buy products made from recycled packaging.
3. Product stewardship	
KPI 6	Implementation of formal processes for working with others to improve design and recycling of packaging.
KPI 7	Demonstrations of other product stewardship outcomes.
KPI 8	Reduction in the number of packaging items in litter.

Note: KPI 5 is absent because individual signatories are not required to adopt this measure.

7.1 All KPIs – Annual reporting against Action Plan

This KPI relates to Australia Post ensuring that it submits an Annual Report by 31 October annually that reports against the Australia Post APC Action Plan.

This KPI is both qualitative and quantitative in nature. Information is provided below on how data for each KPI is gathered, retained and reported. This ensures consistency of the information reported each year.

7.1.1 Record keeping

Information and records for this KPI will be maintained by the Australia Post appointed Covenant Officer within the Australia Post Environmental Management System database.

7.2 KPI 1(A – C) – Total weight of consumer packaging and products packaged

KPI 1 comprises of the total weight of consumer packaging (domestic and imported) sold per annum into the Australian market and the total weight of products packaged, and is split into three parts:

- **KPI 1A** – packaging by material type by source (local or imported) per annum (tonnes)
- **KPI 1B** – packaged product sold per annum (tonnes)
- **KPI 1C** – ratio of product to packaging (by weight).

7.2.1 Methodology

KPI 1 data is generated by multiplying annual unit sales of products by packaging weights (by material) and packaging product weights (by material). Unit sales data is produced by Australia Post's current computerised sales tracking system. Product and packaging weights and material types have been provided by product managers using supplier information. The accuracy of this data is confirmed by weighing the products and packaging first hand.

Australia Post postal packaging products are considered as packaging for the calculation of KPIs 1A and 1B. For calculating KPI 1C, the product-to-packaging ratio, postal packaging products are classified as packaging. This is consistent with the intention of the ratio to measure packaging efficiency.

The KPI 1 data covers the majority of Australia Post brand owned products, as outlined in Appendix A.

7.2.2 Record keeping

Information and records for this KPI are maintained by the Australia Post appointed Covenant Officer within the Packaging Information database. This is a secure database used by the Sustainability Unit for storing, managing and reporting on KPI 1 (A – C), KPI 1 (D) and KPI 3 for the APC Annual Report.

7.2.3 Baseline data

The following are our baseline data sets. The presentation of this data will continue in our annual progress reporting, which will be accompanied with analysis and commentary.

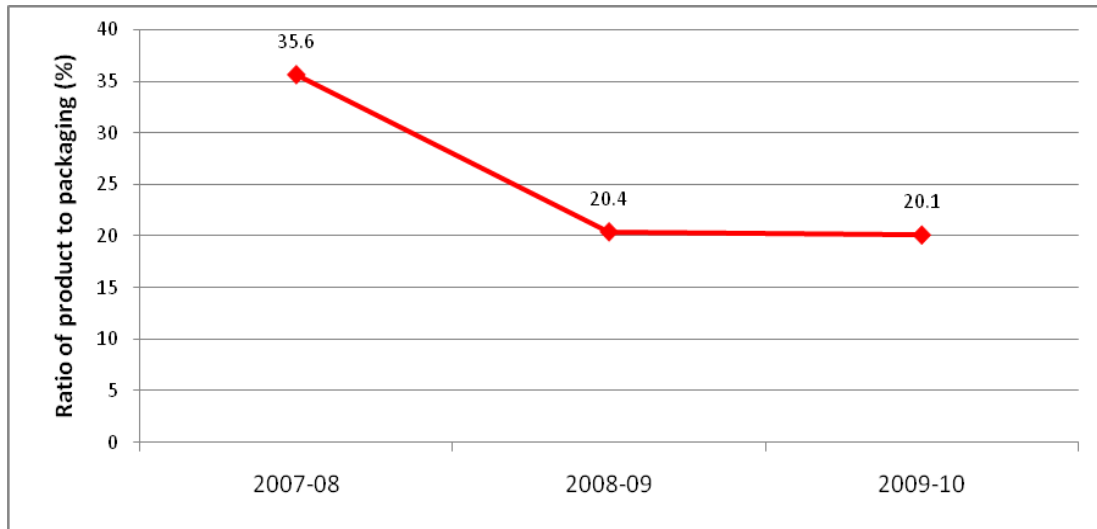
KPI 1A – packaging by material type by source (local or imported) per annum (tonnes) 2009–10 financial year

Material type	Packaging per annum (tonnes)		Total packaging per annum (tonnes)
	Local	Imported	
Paper	4,514.10	557.28	5,071.39
Cardboard - Standard (inc liquid paper)	2,016.15	254.84	2,270.99
Cardboard - Waxed	0.09	0	0.09
Cardboard - High Wet Strength	0	0	0
Composites	0	2.67	2.67
Plastics - Type 1 (PET)	0	0	0
Plastics - Type 2 (HDPE)	0	0	0
Plastics - Type 3 (PVC)	0	1.02	1.02
Plastics - Type 4 (LDPE)	281.03	350.59	631.61
Plastics - Type 5 (PP)	22.02	5.66	27.68
Plastics - Type 6 (PS)	0	0.23	0.23
Plastics - Type 7 (Other)	0	0.21	0.21
Glass	0	0	0
Aluminium	0	0	0
Steel	0	0	0
Other	0	0.03	0.03
Total	6,833.39	1,172.52	8,005.92

KPI 1B – packaged product sold per annum (tonnes) 2009–10 financial year, and

KPI 1C – ratio of product to packaging (by weight) 2009–10 financial year

Item	Weight (tonnes)
Products	1,420.96
Postal packaging products	7,558.50
KPI 1B – packaged product sold per annum	8,979.46
Total packaging	447.42
KPI 1C – ratio of product to packaging (by weight)	20.1:1



Ratio of product to packaging (by weight) from 2007–08 to 2009–10

7.3 KPI 1 (D) – Percentage of recycled content in packaging

KPI 1 D measures the improvements in design, manufacture, marketing and distribution to optimise its recycled content and ultimately reduce the environmental impacts of packaging.

7.3.1 Methodology

See KPI 1A-C methodology and information sources.

7.3.2 Record Keeping

Information and records for this KPI are maintained by the Australia Post appointed Covenant Officer within the Packaging Information database. See KPI 1A-C for more information.

7.3.3 Base year data

The following are our baseline data sets. The presentation of this data will continue in our annual progress reporting, which will be accompanied with analysis and commentary.

Change in percentage recycled content over four reporting periods

Australia Post branded products	2006–07	2007–08	2008–09	2008–09
Percentage of materials used that are recycled input materials	28%	42%	41%	44%

Percentage recycled content by material type 2008–09 financial year

Material	Total packaging (Tonnes)	Recycled content (Tonnes)	Percentage of Recycled Content
Paper	5,071.39	2,236.39	44.10%
Cardboard - Standard (inc liquid paper board)	2,270.99	1,124.44	49.51%
Cardboard - Waxed	0.09	0.09	100.00%
Cardboard - High Wet Strength	0	0	0.00%
Composites	2.67	0	0.00%
Plastics - Type 1 (PET)	0	0	0.00%
Plastics - Type 2 (HDPE)	0	0	0.00%
Plastics - Type 3 (PVC)	1.02	0	0.00%
Plastics - Type 4 (LDPE)	631.61	134.65	21.32%
Plastics - Type 5 (PP)	27.68	13.83	49.98%
Plastics - Type 6 (PS)	0.23	0	0.00%
Plastics - Type 7 (Other)	0.21	0	0.00%
Glass	0	0	0.00%
Aluminium	0	0	0.00%
Steel	0	0	0.00%
Other	0.03	0	0.00%
Total	8,005.92	3,509.40	43.84%

7.4 KPI 1E – Changes to packaging that relate to the implementation of SPG

KPI 1E provides examples of initiatives and changes implemented by Australia Post that relate to the new Sustainable Packaging Guidelines. This KPI is primarily qualitative in nature, but where available quantitative data will also be reported.

This KPI may therefore be reported on in two parts:

- Report changes to packaging design or supply chain considerations affecting amount and type of packaging used with examples, and their associated impact on the amounts and types of packaging used.
- Quantitative details of substantial changes may be provided where possible eg quantities of packaging addressed, changes to materials used, etc.

7.4.1 Data sources

The data source will be the evidence collected from the implementation of the actions in this plan that have reportable outcomes.

7.4.2 Records

Information and records for this KPI will be maintained by the Australia Post appointed Covenant Officer on the designated server.

7.4.3 Base year data

No base year data is relevant for this KPI

7.5 KPI 2A – Total weight, by material type, of “non-recyclable” packaging sold per annum

Non-recyclable is defined as packaging products that cannot be reasonably recovered in Australia through existing collection and reprocessing systems.

KPI 2A is split into two parts:

- Non-recyclable packaging sold by material type (tonnes)
- Total non-recyclable packaging sold as a proportion of total packaging sold (per cent).

7.5.1 Methodology

KPI 2A data will be generated by multiplying annual unit sales of products by packaging weights (by non-recyclable material). Unit sales data will be generated by Australia Post’s current computerised sales tracking system, and packaging and product weights, and packaging material types, will be provided either by product managers or determined directly by the Covenant Officer.

7.5.2 Record keeping

Information and records for this KPI are maintained by the Australia Post appointed Covenant Officer within the Packaging Information database. See KPI 1A-C for more information.

7.5.3 Base year data

The following information outlines our baseline data sets. The presentation of this data will continue in our annual progress reporting, which will be accompanied with analysis and commentary.

KPI 2A results 2009–10 financial year

Material	Packaging (tonnes)
Non-recyclable paper	0
Non-recyclable cardboard	0
Plastic 4 – LDPE/LLDPE	615.45
Plastic 5 – PP	27.43
Plastic 6 – PS/EPS	0.23
Plastic 7 – Other	0.21
Composites	2.67
Non-recyclable packaging sold by material type	645.99
Total packaging	8,005.92
Total non-recyclable packaging sold as a proportion of total packaging sold	8.1 %

7.6 KPI 2B – Estimated amount of waste recycled and sent to landfill, from on-site collections

KPI 2B presents the total amount of waste being generated and disposed from on-site collections at our facilities, for waste disposed to landfill or recycled. The KPI shows the outcomes from our initiatives to increase the amount of recycling and reduce the amount of landfill being generated at our facilities.

7.6.1 Methodology

KPI 2B data is based on waste management data, by waste type (landfill or recycled) provided by Australia Post’s national waste and recycling service provider, and information retained in our Environmental Inventory Management system.

The waste data collected and reported includes Australia Post’s owned and leased facilities, and does not include licensed outlets. This is due to the licensees having direct control of their own waste practices.

Furthermore, waste disposed of at facilities within shopping centres is also hard to capture because the waste management contract exists within part of the leasing arrangements. This information is estimated to ensure Australia Post accounts for the entire waste disposal from owned and leased facilities.

7.6.2 Record keeping

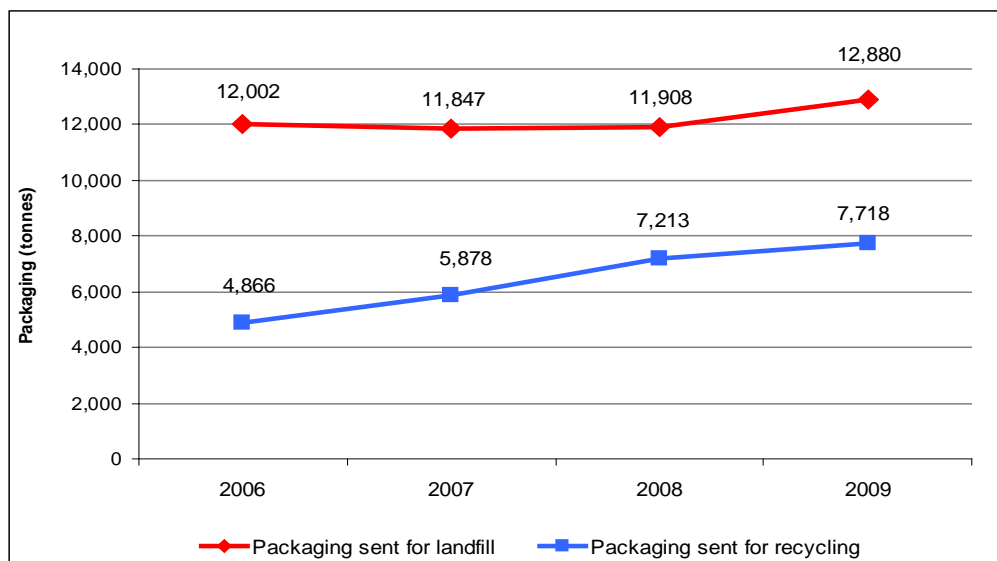
Information and records for this KPI are maintained by the Australia Post appointed Covenant Officer within the Australia Post Environmental Inventory Management system.

7.6.3 Base year data

The following information outlines our baseline data sets. The presentation of this data will continue in our annual progress reporting, which will be accompanied with analysis and commentary.

Packaging sent for recycling and to landfill for 2009

Material	Quantity (tonnes)	Per cent of total waste
Packaging sent for recycling	7,718	34%
Packaging sent to landfill	12,880	57 %
Total volume of waste and recycling	25,146	100%



Change in the amount of packaging sent to landfill and recycled from Australia Post sites from 2006–2009

7.7 KPI 3 – Percentage of signatories providing recycling facilities

KPI 3 is split into two parts:

- Whether on-site recycling facilities are provided or not
- Number and types of recycling facilities provided.

7.7.1 Methodology

KPI 2B data is based on waste management data, by waste type (landfill or recycled) provided by Australia Post’s national waste and recycling service provider, and information retained in our Environmental Inventory Management system.

The waste data collected and reporting includes Australia Post’s owned and leased facilities, and does not include licensed retail outlets. This is due to the licensees having direct control of their own waste practices.

Furthermore, waste disposed of at facilities within shopping centres is also hard to capture because of the waste management contract exists with part of the leasing arrangements. This information is estimated to ensure Australia Post accounts for the entire waste disposal from owned and leased facilities

7.7.2 Record keeping

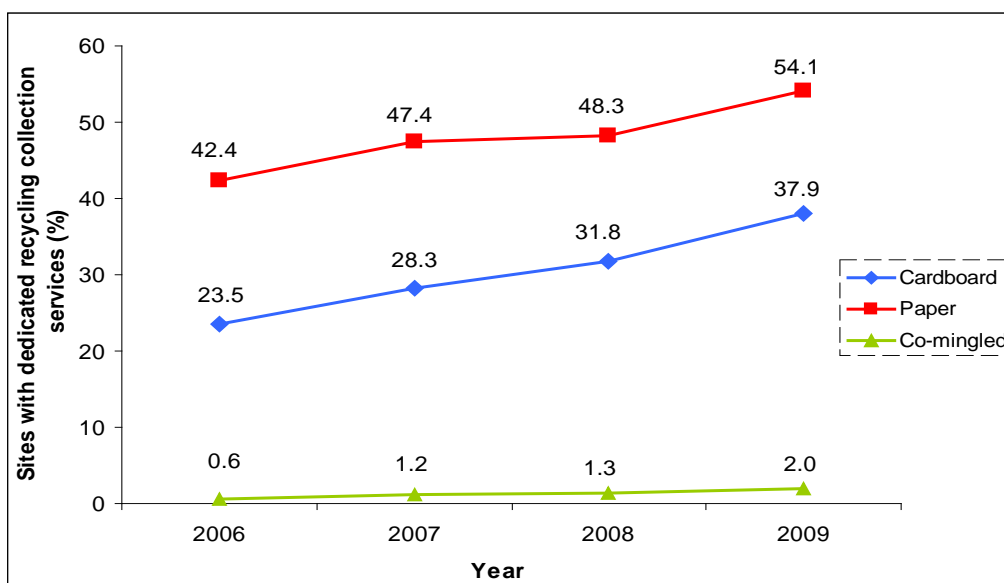
Information and records for this KPI are maintained by the Australia Post appointed Covenant Officer within the Australia Post Environmental Inventory Management system.

7.7.3 Base year data

The following information outlines our baseline data sets. The presentation of this data will continue in our annual progress reporting, which will be accompanied with analysis and commentary.

KPI 3 results - number of sites with dedicated recycling collections

Facility type	Site number	No. of sites with dedicated recycling collections		
		Cardboard	Paper	Co-mingled
Retail outlets: Post managed waste facilities	243	119	121	0
Retail outlets: externally managed waste facilities	508	87	166	1
Delivery, logistics, mail processing and administration sites	542	205	624	16
Total sites	1,293	411	911	17
Percentage with recycling by waste type		31.8%	70.5%	1.3%



Change in the number of Australia Post retail outlets with recycling services from 2006–2009

7.8 KPI 4 – Implementation of policy to buy products made from recycled packaging

KPI 4 comprises of two aspects:

- Implemented a policy to buy products made from recycled packaging.
- Details and quantitative data where available.

One goal of Australia Post's Corporate Responsibility Strategy is to "integrate sustainable sourcing across our supply chain". As part of this goal, our Procurement Unit has implemented a supplier code of conduct which includes the key elements of a "buy recycled" policy. The supplier code of conduct is now a mandatory inclusion of all new contracts, and existing contracted suppliers have been updated to comply with the code of conduct.

The implementation of this code of conduct will continue to be reported on, using data where available to support the ongoing achievement of this KPI.

7.8.1 Records

Information and records for this KPI are sourced from the Procurement Unit, and maintained by the Australia Post appointed Covenant Officer within our designated repository for all APC packaging related information.

7.9 KPI 6 - Implementation of formal processes to improve design and recycling of packaging

Australia Post's Procurement Unit has implemented a number of formal processes for working with suppliers to influence sustainable sourcing. We have the supplier code of conduct, which is a mandatory inclusion of all new contracts, and also include sustainability criteria in all evaluations for the procurement of all goods and services.

This KPI will be measured based on the continued implementation of Australia Post's Corporate Responsibility Policy into our supplier contracts and assessments of evaluations.

7.9.1 Record keeping

Information and records for this KPI are sourced from the Procurement Unit, and maintained by the Australia Post appointed Covenant Officer within our designated repository for all APC packaging related information.

7.10 KPI 7 – Demonstrations of other product stewardship outcomes

In collaboration with Australia Post's APC working group, initiatives in other product stewardship areas will be reported on when available. Australia Post will also monitor the number of our packaging suppliers who are signatories to the APC, and will report on this each year as stated in Action 19.

7.10.1 Record keeping

Information and records for this KPI sought through meetings with the APC working group and will be maintained by the Australia Post appointed Covenant Officer. APC signatories can be accessed on the APC organisation's website.

7.11 KPI 8 – Reduction in the number of packaging items in the litter stream

In 2008, Australia Post conducted an analysis into the propensity of Australia Post branded packaging becoming litter, and results show that our packaging is unlikely to have a high presence in the litter stream. Therefore this KPI is not applicable to our 2010 – 2015. However there may be potential in the future to have more involvement in community based recovery and litter programs.

7.11.1 Record keeping

Information and records for this KPI will be maintained by the Australia Post appointed Covenant Officer.

8 Appendix A – Australia Post ‘brand-owned’ product list

Australia Post ‘brand-owned’ products
1. Express Post
2. Parcel Post satchels
3. Post Office Supplies - calculators
4. Post Office Supplies - CD storage
5. Post Office Supplies - CDs and DVDs
6. Post Office Supplies - computer mice
7. Post Office Supplies - copy paper
8. Post Office Supplies - fax rolls
9. Post Office Supplies - manila folders
10. Post Office Supplies - office pack
11. Post Office Supplies - Peel 'n' Seal envelopes
12. Post Office Supplies - pens
13. Post Office Supplies - suspension files
14. Postage Prepaid envelopes
15. POSTpak – bubble wrap
16. POSTpak - specialty products
17. POSTpak - mailing boxes
18. POSTpak - mailing tubes
19. POSTpak - packaging tape & dispensers
20. POSTpak - padded bags
21. POSTpak - tough bags
22. Registered Post envelopes
23. Registered Post labels
24. Stamps

Note: this list is accurate at the time of submission and is subject to change as new product lines are developed, and existing product lines are discontinued from Australia Post’s brand-owned product range.