



National Packaging Covenant

Australia Post Action Plan 2005 - 2010

1 Managing Director endorsement

I am pleased to present this updated National Packaging Covenant Action Plan to the National Packaging Covenant Council. This document extends Australia Post's 2005–08 Action Plan to the end of June 2010, and outlines the actions that Australia Post has either completed, is currently undertaking or are committed to complete, in order to reduce the environmental impacts of packaging use, as it relates to Australia Post's business activities.

Australia Post is committed to continuously improving its environmental performance and this document forms a practical working document for implementing improvements in our packaging practices.

Participation in the National Packaging Covenant serves multiple objectives, including:

- providing a framework for Australia Post to demonstrate and develop a strong ethic of product stewardship;
- achieving ongoing improvements in managing packaging responsibly and minimising solid waste generation;
- benchmarking its packaging related environmental performance; and
- enabling Australia Post to work together with the supply chain to achieve positive environmental outcomes.

Australia Post will report annually on our progress in implementing this action plan.

As a longstanding signatory to the Covenant, Australia Post will also actively participate in the development of arrangements to manage the environmental impacts of packaging, beyond the period of the current Covenant ending in June 2010.

Our Covenant commitments will be delivered as one of the key environmental components of Australia Post's recently developed Corporate Responsibility Strategy.

Graeme John AO
Managing Director

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2 Introduction

2.1 Purpose of this document

The National Packaging Covenant (Covenant or NPC) is the voluntary component of a co-regulatory arrangement for managing the environmental impacts of consumer packaging in Australia. It is based on the principles of shared responsibility through product stewardship and delivered through the collaborative approach between key sectors of the packaging supply chain and all spheres of Australian government — state, territory and local.

Australia Post is a willing signatory to the Covenant as it provides an effective means to achieve significant gains in reducing the packaging related environmental impacts of Australia Post's business activities. This document is Australia Post's National Packaging Covenant Action Plan that details how Australia Post will fulfil its responsibilities under the Covenant.

2.2 Period of this Action Plan

This updated Action Plan is for the period from July 2005 to June 2010, and will be reported against annually, following the end of the financial year by 31 October.

2.3 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.

Australia Post's products and services are across three core business areas:

- 1 Letters
- 2 Retail and agency services
- 3 Parcels and logistics.

Our retail product sales into the Australian market are the primary aspect of our business activities that relate to the Covenant. Significant retail products include:

- envelopes
- stamps
- padded bags
- tough bags
- mailing tubes
- mailing boxes
- Stationery
- Parcel Post and Express Post satchels

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

A significant part of Australia Post's business activity involves providing packaging product lines, such as envelopes, mailing boxes, etc., into the market, i.e. Australia Post sells packaging as a product.

For the purposes of its Covenant related activities and this Action Plan, Australia Post defines all postal packages sold as *primary packaging*, regardless of the fact that they are actually the purchased product rather than a form of packaging. This is a practical position relating to the consumption of these packaging materials; if Australia Post did not include these packaging items within the scope of their National Packaging Covenant Action Plan then they would not be captured under the Covenant.

The packaging products sold by Australia Post are a significant form of packaging and it is recognised that their inclusion under the Covenant is a desirable outcome.

Both packaging in its true sense and the postal packaging products sold by Australia Post will be aggregated and described as *primary packaging* throughout this annual report (with the exception of KPI 1C ratio of product to packaging).

2.4 Location in packaging chain

With regard to the Covenant, Australia Post occupies a retailer or brand owner position in the packaging chain. The Australia Post brand name is the only brand name owned by Australia Post, and is clearly branded on the relevant Australia Post retail products.

2.5 Size of organisation and fund contribution

Revenue: \$347 million in retail activity relevant to the Covenant during the 2007/08 financial year (\$4.96 billion overall).

Employees: 34 752 full-time and part-time staff.

Australia Post contributed \$9 900 to the Transitional Arrangements fund for the 2008/09 financial year.

2.6 Facility locations

Australia Post operates approximately 1 300 sites nationally, of which 831 are corporate retail outlets. Another 3 600 Australia Post Licensee also operate nationally, which are not directly controlled by Australia Post. All products for which Australia Post is the brand-owner are covered by this Action Plan, regardless of the ownership of the retail outlet. Data throughout this Action Plan relating to waste to landfill or recycling is for Australia Post owned or leased facilities only it does not include Licensees.

2.7 Environmental Management at Australia Post

Australia Post recognises that the management of its economic, social, and environmental impacts is central to its continuing commercial success. We aim to meet or exceed regulatory and community standards and embed the principles of sustainable development within our business systems and culture.

We developed our first environmental policy in 1992, which introduced a number of programs designed to reduce our environmental impact. Over time, we have refined and extended our policies. These policies are all endorsed by the organisation and designed to guide our activities and plans.

The fundamental principles of our policies are:

- Managing our impacts
- Implementing viable initiatives to reduce our impacts
- Incorporating environmental considerations into decision making
- Legal compliance
- Communicating our policies with all staff and contractors
- A continual process of monitoring, review and reporting

Australia Post's Environmental Management System (EMS) underpins our environmental management and performance. Established in 1997, the EMS was constructed to reflect the International Standard for Environmental Management Systems AS/NZS ISO 14001.

At Australia Post, we monitor our environmental performance through our Environmental Management System as well as Australian government reporting initiatives such as the National Packaging Covenant, Greenhouse Challenge and Energy Efficiencies Opportunities Act.

During 2008, Australia Post has been developing a Corporate Responsibility Strategy, which has a major focus on environmental performance. The CR Strategy that takes a 'whole of business approach' to sustainability and will be implemented over the next three years.

The seven goals of the strategy are to:

- minimize our environmental footprint
- invest in the communities where we operate and our people live and work
- offer responsible and valued products and services
- integrate sustainable sourcing across the supply chain
- engage our workforce to apply sustainability practices
- understand and be responsive to stakeholder needs and expectations
- ensure effective governance and reporting

2.8 Appointed Covenant officer

For further information regarding this National Packaging Covenant Action Plan or any other Covenant related matters please contact:

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3 Australia Post's Covenant achievements

Australia Post has been a signatory to the Covenant since 2002. Australia Post has invested significantly in reducing the environmental impacts of our packaging and consistently achieves positive outcomes in the areas of packaging recyclability, use of post consumer recycled content and the ratio of product to packaging.

The following is a summary of key achievements in Years 1 to 3 of this action plan.

Year 3 (2007-08)

- The average per cent of recycled content in Australia Post packaging was 42%.
- The average per cent of packaging that was recyclable was 93%.
- A product to packaging ratio of 35.6:1, which is a great outcome and reflects the fact that a large number of Australia Post products are sold without any primary packaging at all.
- The total quantity of non-recyclable Australia Post packaging sold into the Australian market was just 544 tonnes, or 7% of our total packaging.
- Total Australia Post packaging sold into the Australian market was 7 689 tonnes, with 7 143 tonnes of this being recyclable.
- An increase in the quantity of Australia Post packaging recycled and a subsequent decrease in packaging sent to landfill, from 2006 to 2007.
- An assessment of opportunities to reduce in-store packaging use, which determined that the use of in-store packaging within Australia Post's retail outlets is generally efficient. Some opportunities were identified including:
 - the increased use of reusable shelf packs in preference to single-use shelf packs
 - more efficient allocation of promotional display stands to stores
 - the increased use of wooden dump bins in preference to disposable cardboard dump bins
- A submission to the National Packaging Covenant seeking direction on the use of degradable plastic in packaging applications and a range of issues relating to plastic film, including developments in plastic film recycling.
- The continued roll out of recycling collection facilities (bins), instructional signage and awareness campaigns.
- The upgrade of the Packaging Environmental Database (in MS Excel form) to an Access database format to increase the ease and functionality of KPI data reporting.

Year 2 (2006-07)

- The average % of recycled content in Australia Post products was 28.4%.
- The average % of packaging that was recyclable was 84.3%.
- The total quantity of non-recyclable packaging sold into the Australian market was 889.6 tonnes, or 15.7% of total packaging.
- Total packaging sold into the Australian market was 5 677 tonnes, with 4 787 tonnes of this being recyclable.

- Of the consumer packaging generated at Australia Post sites nationally approximately 4 716 tonnes was recovered for recycling, and 16 393 tonnes was disposed to landfill.
- The development and adoption of *Packaging Design Guidelines*, incorporating the requirements of the Environmental Code of Practice for Packaging (ECoPP).
- A review of all packaging to ensure that environmental labelling on products is consistent with the ECoPP (Consumer Information) and where necessary meets the requirements of AS/NZS 14021 – Self declared environmental claims.

Year 1 (2005-06)

Significant packaging related activity continued to take place at Australia Post during 2005–06, following on from the first Packaging Covenant agreement, and reflected in the already relatively high recycled content and recyclability of Australia Post’s packaging.

Australia Post’s key summary results during 2005–06 were:

- The average % of recycled content in Australia Post Products was 28.8%.
- The average % of packaging that was recyclable was 88.6%.
- The total quantity of non-recyclable packaging sold into the Australian market was 840.9 tonnes.
- Total packaging sold into the Australian market was 6750.5 tonnes, with 5 980 tonnes of this being recyclable.
- Of the consumer packaging generated at Australia Post sites nationally approximately 8 500 tonnes was recovered for recycling, and 4 400 tonnes was lost to landfill.

4 Action Plan (July 2005 – June 2010)

The *Actions* identified in this Action Plan for implementation by Australia Post are grouped for convenience by *Product Stewardship* area (as defined in the Covenant document). The eleven areas of Product Stewardship into which the Actions are categorised are:

- Design
- Production
- Distribution
- Disposal
- Research
- Market development
- Education
- Labelling
- Wholesaling and retailing
- Recycling and reprocessing
- General product stewardship Actions

For clarity, the Covenant KPIs and performance goal that relate to each Action are clearly identified, with full details on each of the KPIs provided in Section 5. Some Actions do not contribute to the fulfilment of a specific Covenant KPI. Where this occurs these Actions are identified as contributing toward *NPC activity management* or as a *General Covenant Activity*.

Each Action also has a stated *Performance Measure*, for assessing its degree of completion or ongoing progress, and the timings for each Action are also provided.

Human and financial resources are available to support implementation of these actions.

Table 4-1 Australia Post Action Plan 2005 to 2010

Actions (by category of Product Stewardship)	Performance Measure	KPI & Performance Goal	Year	Status
<p>Design</p> <p>In designing packaging, careful consideration will be given to its possible effect on the environment from manufacturer to end-user, as well as to its recovery and/or final disposal. Package designers should work with all participants in the packaging supply chain to ensure that waste minimisation, secondary market creation and the reduction of litter are taken into consideration.</p>				
1. Apply Australia Post Packaging Design Guidelines to new packaging products.	Document the application of the PDG to new packages in Annual Reports to the NPC.	KPIs 1 & 3 (Goal 1)	Years 4 & 5	<p>Ongoing</p> <p>The PDG will be applied to new packaging products on an ongoing basis.</p>
2. Retrospectively review significant current packages against the PDG, and identify and implement opportunities to improve.	Assess top packaging products, prioritised by sales quantity (kg), against PDG, with two assessments undertaken per year.	KPIs 1 & 3 (Goal 1)	Years 4 & 5	<p>Ongoing</p> <p>Packaging will be reviewed against the PDG as part of the broader packaging review process. The opportunity to alter packaging design usually arises once every few years.</p>
3. Undertake Life Cycle Analysis (LCA) on packages with high sales volume and low recyclability to identify improved material selection options.	Undertake LCAs on packaging products with low recyclability, prioritised by sales quantity (kg), with one LCA undertaken per year.	KPI 3 (Goal 1)	Year 4	<p>In progress</p> <p>Australia Post is currently completing two LCAs.</p> <p>The first LCA is on the fluted polypropylene mail tray, used by Australia Post for internal mail transfers and for delivery of mail to businesses. The second LCA is on prepaid LDPE mail satchels, used for regular and Express Post products.</p> <p>Both LCAs will support the development of an Excel based calculator, that will be used by Australia Post to identify the most cost-effective and practical approach to minimising the environmental impacts of these Australia Post packaging items.</p>
4. Report on changes in design, manufacture, marketing, distribution and supply chain considerations that modify the environmental impacts of packaging, in line with the ECoPP.	Packaging changes identified and quantified (if possible).	KPIs 3 & 4 (Goal 1)	Years 4 & 5	<p>New action</p>

Actions (by category of Product Stewardship)	Performance Measure	KPI & Performance Goal	Year	Status
5. Provide an information kit to suppliers and Australia Post procurement staff outlining environmental specifications for packaging.	Information kit developed and distributed by 30 June 2009.	KPIs 3 & 4 (Goal 1)	Year 4	New action
Production				
Packaging will be manufactured to minimise the amount of material essential to guarantee the protection, safety and hygiene and shelf life of the product. (Signatories should) report on the source and generation of packaging materials.				
6. Monitor the number of packaging suppliers who are signatories to the NPC.	Status of signatories on NPC website reviewed in July each year and reported in annual report.	General Covenant activity	Years 4 & 5	Ongoing Australia Post continues to monitor the NPC status of significant suppliers.
7. Review key products and services to measure and reduce current carbon impact.	Review undertaken by 30 June 2009.	KPIs 3 & 4 (Goal 1)	Year 4	New action
	Opportunities implemented, where possible.		Year 5	
Distribution				
Logistics will be designed so as to reduce material and energy consumption to optimal levels whilst maintaining product quality.				
8. Optimise the use of distribution packaging by reusing cardboard boxes through internal distribution chains.	90% use of reusable freight packaging for mail distribution.	KPI 3 (Goal 1)	Years 4 & 5	New action

Actions (by category of Product Stewardship)	Performance Measure	KPI & Performance Goal	Year	Status
Disposal				
Packaging should be designed to facilitate its safe and easy disposal by consumers when it reaches the end of its lifecycle. In this context, disposal includes re-use, recycling and other forms of recovery to minimise adverse environmental impacts.				
9. Wherever possible increase the proportion of primary packaging that is recyclable through current kerbside recycling systems through application of the ECoPP.	Proportion of primary packaging that is recyclable through current kerbside recycling systems increases to at least 95%.	KPI 6 (Goal 1)	Years 4 & 5	Ongoing
Research				
There is a need to conduct and facilitate research into environmental and lifecycle issues involving the supply, use and recovery of packaging materials. This research should seek, among other things, to identify new uses or markets for recovered materials that are essential for the sustainability of the recycling system. The research should also aim to reduce the amount of packaging and collect data on its use.				
10. Assess emerging environmental and packaging trends for improved environmental performance.	Conduct desktop research or attend events on environmental or packaging issues. Provide Australia Post product managers with a twice annual update on environmental trends and developments	KPI 3	Years 4 & 5	Ongoing (action slightly modified from original) Australia Post maintains its knowledge of packaging trends primarily through subscriptions to publications (printed and online) and attendance at events.

Actions (by category of Product Stewardship)	Performance Measure	KPI & Performance Goal	Year	Status
Market Development				
Expand markets for recyclable materials and establish frameworks to ensure that new product development using recovered materials is accelerated and that inappropriate barriers to the marketing of products with recycled content are removed.				
11. Develop and adopt the Australia Post Corporate Responsibility Strategy, incorporating ethical sourcing.	Sustainability Strategy developed and adopted.	KPI 26	Year 4	In progress (action slightly modified from original) and incorporating actions K, L and P from original action plan Australia Post is currently developing a Corporate Responsibility Strategy which will incorporate and build upon the requirements of the Buy Recycled purchasing policy.
12. Expand current product recovery programs to include other key waste types, enabling consumer to utilise Australia Post's mail network as a return route.	Investigate opportunities for consumers to recycle key end-of-life products through Australia Post's mail network.	General Covenant activity	Year 4	New action
	Implement opportunities, where feasible with the aim of doubling current levels of recovery.		Year 5	
Education				
It is essential that reliable information be developed and circulated to assist consumers in making informed purchasing choices. The responsibility for establishing and financing a balanced information campaign for the general community and school students must be shared by all those in the packaging supply chain and all governments.				
13. Educate staff in key environmental issues such as NPC related activities, waste and recycling and resource use.	Produce and distribute sustainability publications to all Australia Post staff and contractors.	General Covenant activity	Years 4 & 5	New action incorporating actions D, E, M, N from original action plan
14. Use website to provide detailed reporting on Australia Post environmental performance, including NPC reports.	Australia Post website modified to provide environmental reports.	General Covenant activity	Years 4 & 5	Ongoing Copies of Australia Post NPC Action Plan and Annual Reports can be found at the following address: http://www.auspost.com.au/BCP/0,1080,CH3957%257EM019,00.html

Actions (by category of Product Stewardship)	Performance Measure	KPI & Performance Goal	Year	Status
<p>Labelling</p> <p>Accurate consumer information and labelling on packaging is important to encourage appropriate recycling and/or disposal. To this end, packaging should bear appropriate information either on the packaging itself or on the label.</p>				
<p>15. Ensure that environmental labelling on products is consistent with the ECoPP (Consumer Information), and where necessary meet the requirements of AS/NZS 14021 – Self declared environmental claims.</p>	<p>Increase in compliant labelling, in line with recommendations of assessment.</p>	<p>KPI 3</p>	<p>Years 4 & 5</p>	<p>New action</p>
<p>Wholesaling and Retailing</p> <p>Contribute data on changes in packaging made in response to changes in consumer demand and assist in educating the community on the role of packaging and the best way to handle packaging waste consistent with the specific requirements of local conditions. Ensure point-of-sale, display and promotional materials are designed so as to minimise the quantity of materials used and to maximise their re-utilisation.</p>				
<p>16. Eliminate unnecessary in-store packaging (e.g. shelf packs) where feasible.</p>	<p>Case studies of in-store packaging assessments and reductions.</p>	<p>KPI 3</p>	<p>Years 4 & 5</p>	<p>Ongoing</p> <p>An assessment was undertaken in March 2008 to identify opportunities to reduce in-store packaging use. The recommendations from the assessment have been communicated to the stores and the retail operations staff within Australia Post for adoption.</p>
<p>17. Identify plastic bag reduction solutions or alternatives to reduce Australia Post's plastic bag usage.</p>	<p>Strategies identified and recommendations adopted by 31 December 2009.</p> <p>Commit to moving away from free provision of bags in alignment with other major retailers.</p>	<p>KPI 3</p>	<p>Year 5</p>	<p>New action</p>

Actions (by category of Product Stewardship)	Performance Measure	KPI & Performance Goal	Year	Status
Recycling and Reprocessing				
All parts of the packaging supply chain, consumers and governments have a role to play ensuring that packaging is developed and managed throughout its lifecycle in a way that minimises the consumption of materials and other inputs during production and adverse environmental consequences.				
18. Implement a company wide waste management program, in collaboration with waste and recycling service providers, to provide adequate and appropriate waste and recycling facilities at all Australia Post sites.	Proportion of sites with recycling collection services increases. Proportion of sites with cardboard recycling increases to 50%.	KPIs 16 & 21 (Goals 2 & 4)	Years 4 & 5	New action incorporating actions E, F, Q and T from original action plan
19. Increase the diversion of waste from landfill from sites with Australia Post managed waste facilities.	Achieve a waste diversion from landfill target of 50% from sites with Australia Post managed waste facilities.	KPI 21 (Goal 4)	Years 4 & 5	New action
General Product Stewardship Actions				
20. Report annually against this Action Plan.	<i>Annual Reports</i> against this Action Plan submitted by October of each year.	KPI 28 (Goal 5)	Years 4 & 5	Ongoing
21. Demonstrate improvement against Australia Post's KPI targets and ongoing achievement of the Actions described in this Action Plan.	Action Plan 'Actions' and KPI targets achieved	KPI 29 (Goal 5)	Years 4 & 5	Ongoing
22. Actively engage in the development of policy to manage the environmental impacts of packaging beyond 2010.	Respond to opportunities for signatories to contribute to policy development, for example, attend forums and respond to surveys.	General Covenant activity	Year 5	New action

5 Company dataset (KPIs)

5.1 Introduction

The Key Performance Indicators (KPIs) that Australia Post is required to report against to the Covenant Council are presented in this section. The KPIs are identified and a description is provided on how the KPI data is gathered, and what records are maintained to track performance against commitments. The current (2007/08) data is provided.

During 2007/08 Australia Post upgraded the Packaging Environmental Database (in MS Excel form) to an Access database format, to increase the ease and functionality of data reporting for KPIs 1 and 6. This database centralises data on all packaging products and enables the reporting of data for KPIs 1 and 6.

In parallel with this system upgrade, Australia Post undertook a major review and update of the product and packaging data within the database. This review has significantly improved the integrity of the data upon which Australia Post's KPIs 1 and 6 reporting is based. Therefore, it would not be valid to compare KPIs 1 and 6 performance across years.

The KPIs are also cross-referenced to the Actions in Section 4, to clearly illustrate how the KPI data or outcomes will be generated, and how KPI targets will be achieved.

The Covenant KPIs relevant to Australia Post (as a *brand owner*) are:

- *KPI 1 – Total weight of consumer packaging (domestic & imported) sold per annum into the Australian market and the total weight of products packaged.*
- *KPI 3 – Improvements in design, manufacture, marketing and distribution to minimise the environmental impacts of packaging.*
- *KPI 4 – Changes to protection, safety, hygiene, shelf-life or supply chain considerations affecting amount & type of packaging used.*
- *KPI 6 – Total weight, by type, of “non-recyclable” packaging sold per annum into the Australian market.*
- *KPI 16 – Percentage of signatories providing recycling collection facilities for post-consumer packaging generated on-site.*
- *KPI 21 – Estimated tonnage of consumer packaging recycled and sent to landfill respectively, from on-site collection facilities.*
- *KPI 22 – Number of signatories who have formally adopted the ECoPP and developed systems for its implementation.*
- *KPI 26 – Implementation of Buy Recycled purchasing policy or practices.*
- *KPI 27 – Establishment of baseline performance data.*
- *KPI 28 – Annual reporting against Action Plan.*
- *KPI 29 – Demonstrated improvement and achievements against individual targets & milestones.*

5.2 KPI 1

KPI 1 description

KPI 1 is the *total weight of consumer packaging (domestic & imported) sold per annum into the Australian market and the total weight of products packaged.*

KPI 1 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).

Data sources

KPI 1 data is generated by multiplying annual unit sales of products by packaging weights (by material) and packaged product weights. Unit sales data are generated by Australia Post's current computerised sales tracking system, and packaging and product weights, and packaging material types, have generally been provided by product managers, and are stored within the Packaging Environmental Database.

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

The Actions in Table 4-1 which will result in reportable outcomes against KPI 1 are Actions 1 and 2.

Records

Information and records for this KPI are maintained by the Australia Post appointed Covenant Officer within the Packaging Environmental Database.

KPI 1 data

Table 5-2 KPI 1 Data (2007/08 financial year)

Material	Packaging (tonnes)		Total packaging (tonnes)
	Local	Imported	
Paper	4 047.75	0.00	4 673.08
Cardboard	1 964.40	301.16	2 265.56
Waxed board	0.00	0.00	0.00
High wet strength board	2.27	0.00	2.27
Glass	0.00	0.00	0.00
Plastic 1 – PET	0.00	0.00	0.00
Plastic 2 – HDPE	0.00	0.00	0.00
Plastic 3 – PVC	0.00	1.81	1.81
Plastic 4 – LDPE/LLDPE	395.59	307.66	703.24
Plastic 5 – PP	22.14	4.87	27.01
Plastic 6 – PS/EPS	0.00	0.37	0.37
Plastic 7 – Other	0.00	6.21	6.21
Aluminium	0.00	0.00	0.00
Steel	0.00	0.00	0.00
Composites	9.51	0.33	9.85
N/A	0.00	0.00	0.00
Total	6 441.66	1 247.73	7 689.40

Australia Post's product to packaging ratio is calculated classifying postal packaging products i.e. Express Post satchels, as products rather than packaging. For all other purposes, except for the product to packaging ratio, postal packaging products are classified as packaging. The treatment of postal packaging products as packaging under the product to packaging ratio is consistent with the intention of the ratio to measure packaging efficiency.

Australia Post's product to packaging ratio of 35.6 is very high compared to other signatories, as reported in the National Packaging Covenant 2005–06 Annual Report. This reflects the fact that a large number of Australia Post products are sold without any primary packaging at all.

Table 5-3 Product to packaging ratio, 2007/08 financial year

Item	Weight (tonnes)
Products	150.46
Postal packaging products	7 438.47
Packaging	250.92
Total product	8 939.93
Total packaging	250.92
Product to packaging ratio (total product/ total packaging)	35.6

5.3 KPI 3

KPI 3 description

KPI 3 relates to *improvements in design, manufacture, marketing and distribution to minimise the environmental impacts of packaging*, and provides specific examples of initiatives and changes implemented by Australia Post that have impacted upon the amounts and types of packaging generated by Australia Post. This KPI is primarily qualitative in nature but, where available, quantitative data will also be reported.

KPI 3 is split into two parts:

- 3A – examples of improvements made to packaging and their effect on minimising the environmental impacts of the packaging.
- 3B – quantitative details of substantial improvements should be provided where available e.g. tonnes of packaging avoided, increased recyclability etc.

KPI 3 data sources

There are a number of Actions in Table 4-1 which will result in reportable outcomes against KPI 3. These are 1, 2, 3, 4, 5, 7, 8, 10, 15, 16 and 17.

Any unanticipated activities that take place at Australia Post during the period of this Action Plan, that result in reportable outcomes against KPI 3, will also be reported on annually.

Records

Information and records for this KPI, i.e. progress against the Actions listed above, will be maintained by the Australia Post appointed Covenant Officer.

5.4 KPI 4

KPI 4 description

KPI 4 relates to *changes to protection, safety, hygiene, shelf-life or supply chain considerations affecting amount & type of packaging*, and provides examples of initiatives and changes implemented by Australia Post that have impacted upon the effectiveness of the Covenant as a whole. This KPI is primarily qualitative in nature, but where available quantitative data will also be reported.

This KPI is split into two parts:

- 4A – report changes to protection, safety, hygiene, shelf life or supply chain considerations affecting amount & type of packaging used with examples, and their associated impact on the amounts and types of packaging used.
- 4B – quantitative details of changes should be provided of substantial changes where possible e.g. additional tonnes of packaging required, changes to materials used, etc.

Data sources

The Actions in Table 4-1 which will result in reportable outcomes against KPI 4 are Actions 4, 5 and 7.

Any unanticipated activities that take place at Australia Post during the period of this Action Plan, that result in reportable outcomes against KPI 4, will also be reported on annually.

Records

Information and records for this KPI, i.e. progress against the Actions listed above, will be maintained by the Australia Post appointed Covenant Officer.

5.5 KPI 6

Description

KPI 6 is the *total weight by material type of “non-recyclable” consumer packaging sold per annum in to the Australian market*. Non-recyclable is defined as packaging products that cannot be reasonably recovered in Australia through existing collection and reprocessing systems.

KPI 6 is split into two parts:

- KPI 6A – non-recyclable packaging sold by material type (tonnes).
- KPI 6B – total non-recyclable packaging sold as a proportion of total packaging sold (%).

Data sources

KPI 6 data will be generated by multiplying annual unit sales of products by packaging weights (by un-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.

The Action in Table 4-1 which will result in reportable outcomes against KPI 6 is Actions 9.

Records

Information and records for this KPI are maintained by the Australia Post appointed Covenant Officer within the Packaging Environmental Database.

KPI 6 data

Table 5-4 KPI 6 Data (2007/08 financial year)

Material	Packaging (tonnes)
Non-recyclable paper	0.00
Non-recyclable cardboard	0.00
Plastic 4 – LDPE/LLDPE	500.39
Plastic 5 – PP	27.01
Plastic 6 – PS/EPS	0.37
Plastic 7 – Other	6.21
Composites	9.85
N/A	0.00
Total non-recyclable	543.82
Total packaging	7 689.40
Non-recyclable as % of total	7.1%

5.6 KPI 16

Description

KPI 16 is the *percentage of signatories providing recycling collection facilities for post-consumer packaging generated on-site.*

KPI 16 is split into two parts:

- KPI 16A – whether on-site recycling facilities are provided or not
- KPI 16B – number and types of recycling facilities provided.

Data sources

KPI 16 data is generated by Australia Post’s waste and recycling service providers.

The Action in Table 4-1 which will result in reportable outcomes against KPI 16 is Action 18.

Records

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

KPI 16 data

Australia Post data for KPI 16 is presented in Table 5-5.

Table 5-5 Number and type of Australia Post sites with recycling collections (2007)

Facility type	Site number	Number of sites with recycling collections		
		Cardboard	Paper	Co-mingled
Retail outlets: Australia Post managed waste facilities	235	101	116	0
Retail outlets: externally managed waste facilities	503	83	171	1
Delivery, logistics, mail processing and administration sites	550	180	324	14
Total sites	1288	364	611	15
Total sites (%)	-	28.3%	47.4%	1.2%

A significant number of Australia Post retail outlets are based in commercial shopping centres where waste management is managed externally from Australia Post. In these circumstances Australia Post generally has limited opportunity to introduce new recycling collections.

The number of sites with recycling collections over the period 2006 to 2007 has increased, as presented in Figure 5-1, particularly for cardboard and paper recycling collections.

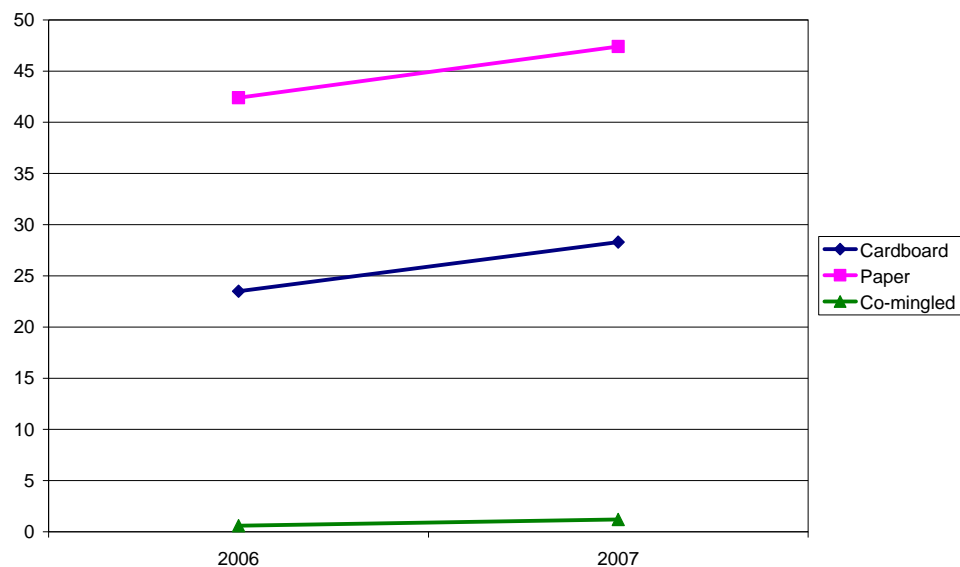


Figure 5-1 Number of Australia Post sites with recycling collections, 2006 and 2007

5.7 KPI 21

Description

KPI 21 is the *estimated weight and proportion (with respect to total waste) of consumer packaging sent (a) for recycling and (b) to landfill from on-site collection facilities.*

Data sources

KPI 21 data is based upon waste to landfill and recycling data provided by Australia Post's national waste and recycling service provider.

The Actions in Table 4-1 which will result in reportable outcomes against KPI 21 are Actions 18 and 19.

Records

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

KPI 21 data

Australia Post data for KPI 21 is presented in Table 5-6 below.

Table 5-6 Consumer packaging to recycling and landfill for 2007

Material	Quantity (tonnes)	% of total waste
Consumer packaging sent to recycling	5 574	24
Consumer packaging sent to landfill	15 511	66
Non-consumer packaging sent to recycling	619	2.6
Non-consumer packaging sent to landfill	1 723	7.4
Total volume of waste and recycling	23 427	100%

The total volume of waste and recycling generated remains substantially consistent across 2006 and 2007. The quantity and proportion of consumer packaging sent to recycling has increased from 2006 to 2007, with a subsequent decrease in the proportion of consumer packaging sent to landfill.

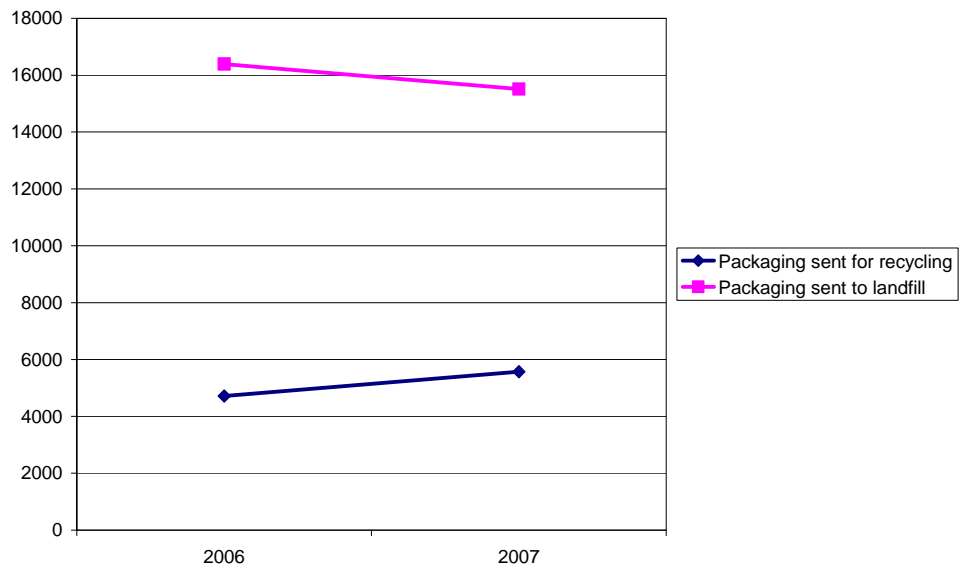


Figure 5-2 Consumer packaging sent to recycling and landfill (tonnes), 2006 and 2007

5.8 KPI 22

Description

KPI 22 relates to the *adoption of the ECoPP and development of systems for its implementation.*

This KPI is split into two parts:

- 22A – report whether ECoPP has been formally adopted.
- 22B – report actions and commitments that demonstrate that the ECoPP has been implemented.

Records

Information and records for this KPI, i.e. progress against the Action listed above, will be maintained by the Australia Post appointed Covenant Officer.

KPI 22 data

Australia Post Packaging Design Guidelines, incorporating the requirements of the ECoPP, have been developed and adopted throughout Australia Post during 2007/08.

The application of the guidelines will be undertaken as part of the broader packaging design review process and in the development of new packaging.

5.9 KPI 26

KPI 26 relates to the *implementation of Buy Recycled purchasing policy / practices*.

This KPI is split into two parts:

- 26A – implemented a Buy Recycled purchasing policy or practices
- 26B – provide details and quantitative data where available.

Data sources

The Action in Table 4-1 which will result in reportable outcomes against KPI 26 is Action 11.

Records

Information and records for this KPI, i.e. progress against the Actions listed above, will be maintained by the Australia Post appointed Covenant Officer.

KPI 26 data

Australia Post is currently developing a corporate wide sustainability strategy, which has “ethical sourcing” as one of its key pillars. This strategy will incorporate and build upon the requirements of the Buy Recycled purchasing policy.

5.10 KPI 27

Description

KPI 27 relates to the *establishment of baseline performance data*.

This KPI is split into two parts:

- 27A – report indicative baseline data (where available), including qualifiers & assumptions, by 30 November 2005.
- 27B – report established baseline data by 31 October 2006.

KPI 27 data

Baseline KPI data was provided in the Year One (2005/06) Annual Report.

5.11 KPI 28

Description

KPI 28 requires *annual reporting against this Action Plan*.

KPI 28 data

This KPI will be addressed through annual reports against this Action Plan.

5.12 KPI 29

Description

KPI 29 relates to *demonstrated improvement and achievements of milestones in Action Plan*.

Data sources

The Action in Table 4-1 which will result in reportable outcomes against KPI 29 is Action 21.

Records

Information and records for this KPI, i.e. progress against the Actions listed above, will be maintained by the Australia Post appointed Covenant Officer.

KPI 29 data

This KPI will be addressed through annual reports against this Action Plan.

6 Appendix A – Australia Post ‘brand-owned’ products

Table A-1 Australia Post ‘brand-owned’ products captured within KPI data reporting

A4 Copy Paper White 80 gsm	Manilla Folders (Buff)
Ball point pen - Medium Assorted	Manilla Folders (Coloured)
Ball point pen - Medium Blue	Metallic Fold Back Clips
Bubble Wrap	Metallic Map Pins
Carry File	Metallic Paper Clips
CD Mailer	Metallic Push Pins
CD Wallet	Mini Optical Mouse
CD/DVD Mailer	Mini Wireless Optical Mouse
CD/DVD Single Mailer	Office Pack (fold back clips and push pin)
CD-R Recordable Discs	Optical Mouse
CD-R Recordable Discs - Spindle	Packaging Tape - Brown
Character Products - Padded Bags	Packaging Tape - Clear
Desktop calculator	Packaging Tape Dispenser Low Noise
Diskette and Photo Mailer	Padded Bags
Diskettes	Parcel Post Satchels
DVD Recordable Discs -R	Peel 'n' Seal Envelopes
DVD Recordable Discs -R - Spindle	Plastic carry bag
DVD Recordable Discs +R	Pocket Calculator
DVD Recordable Discs +R - Spindle	Postage Prepaid Envelopes
Expandable Tough Bags	Registered Post Envelopes Within Australia
Express Post Envelopes	Satchel Liners
Express Post Platinum Satchels	Scenic Bags- Padded Bags (suits A4)
Express Post Satchels	Stamps Booklet of 10
Facsimile Rolls	Stamps Roll of 100
Gel Wrist Rest Mouse Pad	Suspension Files
Invoice Enclosed Envelope	Tough Bags
Mailing boxes	TOUGHpaks
Mailing Tubes	WINEpaks

7 Appendix B – actions completed during 2005 – 2008

Table B-1 Actions completed during 2005 – 2008

Actions (by category of Product Stewardship)	Performance Measure	KPI & Performance Goal	Year	Status
Design				
In designing packaging, careful consideration will be given to its possible effect on the environment from manufacturer to end-user, as well as to its recovery and/or final disposal. Package designers should work with all participants in the packaging supply chain to ensure that waste minimisation, secondary market creation and the reduction of litter are taken into consideration.				
A. Develop and adopt Australia Post <i>Packaging Design Guidelines (PDG)</i> which incorporate the requirements of the Environmental Code of Practice for Packaging (ECoPP), to provide a consistent set of guidelines and documentation for incorporating environmental considerations at the design and marketing development level.	Draft <i>PDG</i> developed by June 2006. <i>PDG</i> finalised and adopted by July 2006.	KPI 22 (Goal 4)	Year 1	Completed – Year 2 The PDG have been implemented throughout Australia Post.
B. Encourage suppliers to optimise recyclability of all new packages, in line with the ECoPP.	Develop and incorporate appropriate contractual clauses into relevant supply agreements, as contracts are renewed.	KPI 3 (Goal 1)	Ongoing	Completed – Year 4 Sustainability considerations have been incorporated into Australia Post's supply agreements.
C. Implement a NPC Task Group.	Form ongoing NPC Task Group	NPC activity management	Year 1	Completed – Year 1 Australia Post has formed a Packaging Working Group, which is made up of product managers from across Australia Post. The group represents all of Australia Post's products.
Production				
Packaging will be manufactured to minimise the amount of material essential to guarantee the protection, safety and hygiene and shelf life of the product. (Signatories should) report on the source and generation of packaging materials.				
D. Educate staff in the usage of reuse and recycling systems.	New training package developed and distributed to key staff by June 2007.	KPI 21 (Goal 4)	Year 2	Due to strong commonalities, this action will be addressed through Action 13 for the remainder of the action plan.

Actions (by category of Product Stewardship)	Performance Measure	KPI & Performance Goal	Year	Status
Distribution				
Logistics will be designed so as to reduce material and energy consumption to optimal levels whilst maintaining product quality.				
E. Provide distribution and retail outlets with information and resources on the reuse and recycling of cardboard cartons.	Staff educational package developed and distributed.	KPI 3 (Goal 1)	Ongoing	Due to strong commonalities, this action will be addressed through Actions 13 and 18 for the remainder of the action plan.
F. Recover cardboard at all distribution centres, and all retail outlets where not constrained by location (e.g. located within a shopping centre).	Proportion (%) of Australia Post sites with a cardboard collection.	KPI 3 (Goal 1)	Ongoing	Due to strong commonalities, this action will be addressed through Action 18 for the remainder of the action plan.
Disposal				
Packaging should be designed to facilitate its safe and easy disposal by consumers when it reaches the end of its lifecycle. In this context, disposal includes re-use, recycling and other forms of recovery to minimise adverse environmental impacts.				
G. Review propensity of packaging to enter the litter stream.	Assessment of littering propensity of packaging undertaken through Packaging Design Guidelines.	KPI 3 (Goal 1)	Years 2-3	Completed – Year 3 The assessment of litter propensity of packaging is undertaken through the application of the Packaging Design Guidelines.
Research				
There is a need to conduct and facilitate research into environmental and lifecycle issues involving the supply, use and recovery of packaging materials. This research should seek, among other things, to identify new uses or markets for recovered materials that are essential for the sustainability of the recycling system. The research should also aim to reduce the amount of packaging and collect data on its use.				
H. Develop co-ordinated database on packaging use, to provide robust data for ongoing Covenant reporting requirements, and to support waste minimisation activities. This will incorporate waste and recycling quantities based upon waste service provider data and sample audits, and weight of sales of packaging into the market.	<i>Packaging Environmental Database</i> developed by December 2006.	KPIs 1, 6, 16, 21,	Year 1	Completed – Year 1 Australia Post maintains an Australia Post Environmental Management System database (in MS Access format) which manages waste and recycling data across Australia Post.
	<i>Packaging Environmental Database</i> operational and maintained from December 2006.	KPIs 1, 6, 16, 21,	Years 2-3	Completed – Year 1

Actions (by category of Product Stewardship)	Performance Measure	KPI & Performance Goal	Year	Status
I. Communicate to the NPCC the R&D needs of Australia Post, and then utilise outcomes within Australia Post.	Australia Post to develop a short submission to the NPCC stating the key areas of packaging research of relevance to Australia Post.	General Covenant activity	Year 2	Completed – Year 3 A submission was submitted to the Covenant seeking direction from the Covenant on the use of degradable plastic in packaging applications and a range of issues relating to plastic film, including developments in plastic film recycling..
Market Development Expand markets for recyclable materials and establish frameworks to ensure that new product development using recovered materials is accelerated and that inappropriate barriers to the marketing of products with recycled content are removed.				
J. Maintain Buy Recycled Business Alliance (BRBA) membership.	BRBA membership maintained.	KPI 26	Years 1-3	Complete Australia Post maintained BRBA membership each year from 2005 to 2008.
K. Develop and adopt a 'Buy Recycled' purchasing practice.	Buy Recycled purchasing practices guideline developed and adopted.	KPI 26	Year 2	Due to strong commonalities, this action will be addressed through Action 11 for the remainder of the action plan.
L. Develop and implement a 'Buy Recycled' purchasing program, incorporating purchasing practices (including contractual clauses) to incorporate consideration of the recycled content of packaging materials.	Buy Recycled purchasing practices guideline developed and adopted.	KPI 26	Year 3	Due to strong commonalities, this action will be addressed through Action 11 for the remainder of the action plan.
Education It is essential that reliable information be developed and circulated to assist consumers in making informed purchasing choices. The responsibility for establishing and financing a balanced information campaign for the general community and school students must be shared by all those in the packaging supply chain and all governments.				
M. Allocate budget/resources to educating key staff in NPC activities.	Internal training in NPC activities undertaken.	General Covenant activity	Ongoing	Due to strong commonalities, this action will be addressed through Action 13 for the remainder of the action plan.
N. Produce information release for all staff on Australia Post related activities.	Distribute information release on NPC related activities following development of Annual Reports.	General Covenant activity	Ongoing	Due to strong commonalities, this action will be addressed through Action 13 for the remainder of the action plan.

Actions (by category of Product Stewardship)	Performance Measure	KPI & Performance Goal	Year	Status
Labelling				
Accurate consumer information and labelling on packaging is important to encourage appropriate recycling and/or disposal. To this end, packaging should bear appropriate information either on the packaging itself or on the label.				
O. Assess all packaging to ensure that environmental labelling on products is consistent with the ECoPP (Consumer Information), and where necessary meet the requirements of AS/NZS 14021 – Self declared environmental claims. Ensure primary packaging has correct messages, Australia Post brand 100% by end 2006.	Australia Post packaging has correct messages by end 2006.	KPI 3	Year 2	Completed - Year 3 A comprehensive assessment of environmental labelling on Australia Post products was undertaken during 2006–07. Product managers will adopt the recommendations of the assessment when packaging design is undergoing change.
Recycling and Reprocessing				
All parts of the packaging supply chain, consumers and governments have a role to play ensuring that packaging is developed and managed throughout its lifecycle in a way that minimises the consumption of materials and other inputs during production and adverse environmental consequences.				
P. Support recycling industry by purchasing recycled content packaging materials.	Case studies of Australia Post purchases of recycled content product.	KPI 26	Ongoing	Due to strong commonalities, this action will be addressed through Action 11 for the remainder of the action plan.
Q. Provide internal recycling collections at Australia post sites for Australia Post generated packaging, wherever feasible.	Proportion of sites with paper and cardboard recycling.	KPI 16	Years 1-3	Due to strong commonalities, this action will be addressed through Action 18 for the remainder of the action plan.
General Product Stewardship Actions				
R. Establish baseline performance data for the following quantitative KPIs: a) weight of packaging and product sold per annum (KPI 1) b) weight of non-recyclable packaging sold per annum (KPI 6) c) weight of packaging sent to recycling and landfill from facilities (KPI 21)	Establish indicative baseline data by November 2005.	KPI 27 (Goal 5)	See Section 5	Completed - Year 1
	Establish robust baseline data by October 2006.	KPI 27 (Goal 5)	Year 1	Completed - Year 1

Actions (by category of Product Stewardship)	Performance Measure	KPI & Performance Goal	Year	Status
S. Undertake audits of waste to landfill and recycling at a representative sample of key distribution centres and retail outlets to fulfil NPC reporting requirements, and support product & packaging loss assessments.	Undertake annual waste (to landfill) and recycling audits at a representative sample of distribution centres and retail outlets.	KPI 21 (Goal 4)	Years 2-3	Completed - Year 2
T. Develop a <i>Waste Management Plan (WMP)</i> , incorporating outcomes of audits.	WMP developed and implemented.	KPI 3 & 4 (Goal 1)	Year 2	Due to strong commonalities, this action will be addressed through Action 18 for the remainder of the action plan.
U. Develop a comprehensive and robust data collection methodology by June 2006, which fulfils the requirements for quantitative KPI reporting under the Covenant (i.e. for KPIs 1, 6 & 21).	Robust KPI data available for reporting annually.	KPI 28 (Goal 5)	Years 1-3	Completed – Year 3 The Australia Post Environmental Management System Database and Packaging Environmental Database enable comprehensive data collection and storage, and the subsequent reporting of NPC KPI data.
V. Establish <i>targets</i> for KPIs 1, 6 and 21, once robust baseline KPI data available.	KPI targets determined, and published in the first <i>Annual Report</i> against this Action Plan.	KPI 29 (Goal 5)	Year 1	Completed – Year 2 While specific numerical targets for KPIs 1, 6 and 21 are problematic to establish, it is Australia Post’s intent to achieve improvements in these KPIs wherever possible, and for none of the KPIs to worsen from year to year.