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National Packaging Covenant Action Plan – Annual Report



DECEMBER, 2003

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1 AUSTRALIA POST'S ACTION PLAN

As a signatory to the National Packaging Covenant, Australia Post has committed to develop and implement an action plan, to reduce the environmental impact of Post's commercial operations, and support Australian recycling through contributions to Kerbside Transitional Arrangements.

Australia Post submitted a three-year action plan under the National Packaging Covenant in August 2002. The actions committed to in the plan cover Australia Post's packaging in postal, logistics and retail operations.

Australia Post sees its National Packaging Covenant action plan as a tool for achieving continuous improvement in environmental performance in the areas of solid waste and packaging. The recording and monitoring implemented as part of the Plan allows Australia Post to gain an indication of its progress in these areas.

This Annual Report details the implementation of the first year of Australia Post's Action Plan.

2 ON-GOING ACHIEVEMENTS AND PROGRAMS

As a demonstration of Australia Post's commitment to environmental sustainability in its operations, a number of significant environmental initiatives have been introduced, from recycling, utilisation of recycled materials in packaging, ensuring recyclability of packaging, to reusing packaging and 'light-weighting' of packaging products.

- Many packaging products utilise recycled content;
- Most consumer packaging product is able to be recycled via general systems; and
- The majority of internal packaging is recycled or reused by Australia Post.

Some initiatives and achievements are outlined below:

- A Green Office Program is currently being developed
- Greenhouse Challenge program is well established and delivering measurable environmental benefits
- Post is a Member of the *Buy Recycled Business Alliance*
- On-going implementation of Environmental Policy
- PostPak boxes are made from 100% recycled content and recyclable
- Retail carry bags are made from 100% recycled content LDPE
- In-coming cardboard boxes are reused by Post Logistics for packing and distribution
- Potentially recyclable LDPE is widely utilised in preference to other polymers
- Australia Post standard envelopes are 100% recycled paper, and 'house brand' envelopes are 25% recycled content
- The vast majority of paper-based packaging products are recyclable in standard systems;
- Mail handling bags are extensively reused; and
- Energy efficient transport, freighting and distribution systems are utilised.

2.1 Taking environmental responsibility to the community

In partnership with Planet Ark and the manufacturers of printer and toner cartridges, Australia Post has become a partner in a world first initiative, 'Cartridges 4 Planet Ark', which enables customers to drop off their used ink and toner cartridges to be 100 percent recycled.

New technology to recycle everything in print cartridges from the plastics, aluminium, steel, toner powder, and inks ensures that zero waste goes to landfill from the cartridges collected.

This process has the potential to save over 5,000 tonnes of material currently polluting the environment from the 18 million laser and ink cartridges thrown away annually. To date, 69,000 cartridges (27 tonnes) have been recycled. And, while not specifically related to Post's packaging, a further Planet Ark partnership has been established to enable the Christmas cards that Australia Post delivers to also be recycled. This program has so popular that some



64 tonnes of cards were recovered and recycled into packaging materials.

3 SUMMARY OF ACTIONS

Table 3.1 – Summary of Action Plan Commitments

Action Focus	Commitments	Implementation Methods	KPIs	Timeframe	Completed?
Product Stewardship	1. Shared responsibility	- Take positive action in implementing the Action Plan to reduce impact of packaging	Action Plan implementation	End Year Three	
	2. Co-operative relationships	- Engage in discussions with supply chain stakeholders to achieve positive action	Relationships established	End Year Two	
Operations	3. Co-ordinate waste and recycling	- Establish co-ordinated contract for all Australia Post sites nationally	Contract established	End Year One	✓
		- Stream recyclable waste materials	Materials being recovered	End Year Three	
	4. Waste and packaging audits and monitoring	- Audit packaging use and waste levels at Post Logistics facilities	Initial Audits carried out	End Year One	✓
		- Establish program of on-going monitoring of waste levels	Monitoring established	End Year Two	
	5. Strategies for waste reduction	- From audit information, develop simple strategies to reduce waste	Strategies developed and implemented	End Year Three	
	6. Reuse and recycling systems	- Continue use of current systems	Systems operational	Year One-Three	✓
7. LDPE recycling	- Explore feasibility of film and stretch LDPE collection in major facilities	Exploration and assessment carried out	End Year Two	✓	
8. Staff education	- Educate staff members at Post Logistics facilities to utilise reuse and recycling systems	Education program carried out	End Year One	✓	

Table 3.1 cont. – Summary of Action Plan Commitments

Action Focus	Commitments	Implementation Methods	KPIs	Timeframe	Completed?
Packaging Design	9. Minimisation of packaging	- Review packaging - Identify opportunities for light-weighting	Review carried out and opportunities identified	End Year One	✓
	10. Continued and further use of recycled materials	- Identify opportunities for packaging reduction - Identify and implement opportunities for utilisation of recycled materials	Opportunities implemented	End Year Two	
	11. Influence packaging change management				
	12. Ensure recyclability of packaging materials	- Develop Environmental Packaging Policy Statement	Policy Statement developed	End Year Two	✓ (draft)
Distribution and Freight	13. Review of freight packaging	- Review freight packaging and identify opportunities for better efficiency/reuse - Implement identified opportunities	Review carried out Opportunities implemented	End Year One End Year Two	✓
	14. Facilitation of reuse/recycling of freight packaging for retail	- Provide retail and agency operators with information and resources on reuse and recycling of cardboard cartons. - Explore the possibility of a take-back service for used cardboard	Retailers supplied with information and resources Exploration and assessment carried out	End Year One End Year Two	✓
Consumer Packaging Recycling	15. Investigate LDPE recycling	- Hold discussions with relevant government and industry regarding LDPE recycling	Discussions held Collection feasibility reviewed	End Year Two	
	16. Utilisation of recyclable materials	- All new packaging mediums to be assessed for recyclability and recycled content	Consistently recyclable materials utilised	End Year Three	
	17. Consumer labelling	- Assess all packaging products for appropriate recycling and disposal labelling - Implement new labelling where necessary	Packaging labelled appropriately	End Year Three	

Table 3.1 cont. – Summary of Action Plan Commitments

Action Focus	Commitments	Implementation Methods	KPIs	Timeframe	Completed?
Utilisation of Recycled Materials	18. Commitment to 'Buy Recycled' Program	- Maintain membership of Buy Recycled Business Alliance	Active membership maintained	Year One-Three	✓
	19. Continued and further use of recycled materials in freight and distribution	- Review freight packaging supply stream to assess recycled content and extend where possible	Recycled content of freight packaging monitored and extended where possible	End Year Three	
	20. Continued and further use of recycled materials in retail products	- Review branded retail product range for recycled content and identify opportunities to extend	Opportunities implemented	End Year Three	

4 IMPLEMENTATION OF FIRST YEAR ACTIONS

4.1 Co-ordination of Waste and Recycling Contracts

Traditionally, waste management service contracts for Australia Post facilities have been established and managed by individual site managers. In an effort to achieve maximum environmental outcomes, economic efficiency and standard reporting, Australia Post has now contracted Thiess Services to co-ordinate the collection of waste and recycling materials from all of its facilities throughout Australia.

Thiess manages sub-contractors within each State and Territory to ensure that all waste types, including prescribed waste, are properly disposed of. Thiess is also establishing suitable collection systems to support Australia Post's commitment to recycling a variety of materials.

In the first year of the action plan, different services and contracts have been gradually added to the coordinated management contracts. This staged implementation will continue into the second year of the Action Plan.

With the infrastructure in place, Australia Post can expand its current recycling programs by implementing a Green Office program, with an emphasis on recycling. An evaluation of waste materials and waste practices has been undertaken, and Australia Post will utilise waste and recycling monitoring information to develop the new program which will be implemented throughout Post's facilities. Due to the geographic spread of facilities, the new program will be communicated through a kit or and or via the Intranet to allow each site to self-manage their facility. The rollout of the Green Office program will commence in the coming year, and will be coordinated with other environmental improvement programs.

4.2 Monitoring of Waste and Recycling

As part of the new coordinated contract, Thiess reports regularly to Australia Post with data on each waste type removed from every facility, providing Australia Post with the information needed to monitor, manage and report its performance against actions. The data also acts as a source of information for developing further waste minimisation strategies.

Due to the staged implementation of the coordinated contracts, data gathered as part of the monitoring program is regularly increasing, building towards a full picture of the waste and recycling streams at Australia Post.

Figure 4.1 below illustrates the total waste and recycling volume for the whole of Australia Post in 2001/02. This data has been developed through waste and recycling disposal figures together with compositional data from audits of a range of office, delivery centre, logistics and post office sites. (It should be noted that the waste stream includes shredded stamp material which cannot be recycled due to glue content.)

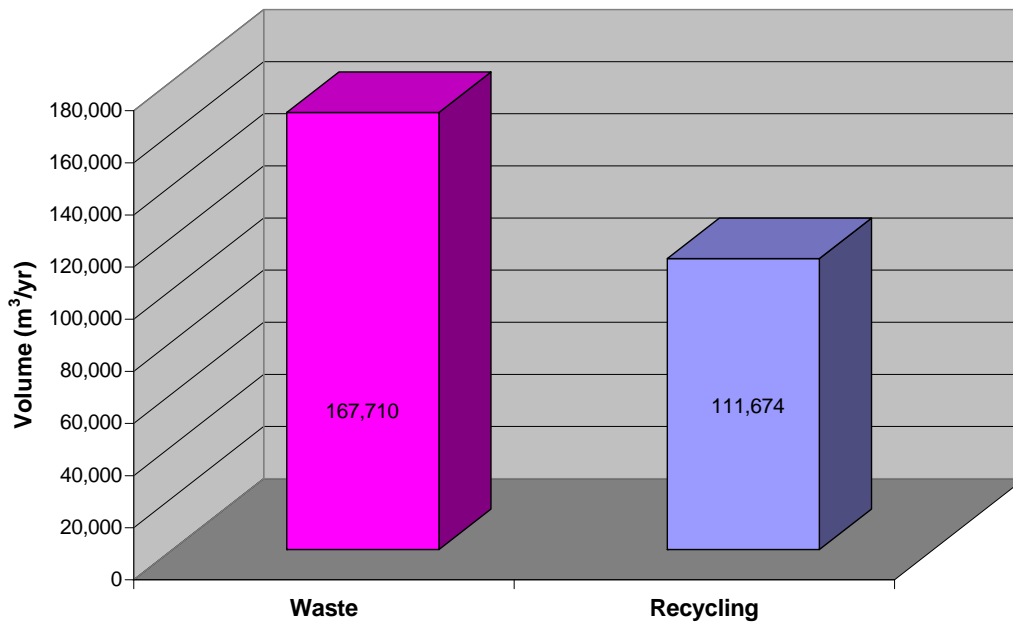


Figure 4.1 – Total Annual Waste and Recycling (m³)

The current recovery rate for materials at Australia Post, excluding reuse of materials, is 40%. In the coming year of the Action Plan implementation, Australia Post will aim to increase the level of recycling rate and further decrease waste to landfill.

4.3 Recycling and Reuse Systems

Recycling systems for cardboard, paper and timber (pallets and shippers) are operational at all Australia Post distribution and logistics facilities, with all returnable packaging products being returned to suppliers.

In the coming year, Australia Post will further investigate the collection of film plastics waste from its facilities for recycling through its co-ordinated waste management contracts.

Extensive reuse of cardboard boxes for the distribution of retail supplies to Post Offices and agencies has continued over the first year of the Action Plan, and will continue into the future.

Managers of each facility area are responsible for training staff in the use of reuse and recycling systems and ensuring on-going compliance.

4.4 Packaging Review

Packaging materials, including incoming, outgoing and retail packaging, were reviewed in 2002/3. The following sites were audited to identify packaging items, materials, uses and opportunities:

- Post Shops, Licensed Post Offices and Agencies;
- POSTLogistics Knoxfield (Vic) – Production;
- POSTLogistics Knoxfield (Vic) – Dispatch;
- POSTLogistics Dandenong South (Vic); and
- POSTLogistics Smithfield (NSW).

Packaging items at all sites were identified with the following details:

- Packaging Item;
- Material;
- Recycled Material?
- Use;
- Freight or Consumer;
- Australia Post internal or from External source;
- Supplier;
- End Customer;
- Needed?
- Reusable?
- Recyclable?
- Reused/Recycled?
- Alternatives/Opportunities; and
- Consider Change?

A database was developed in the review, to allow for on-going monitoring and continual improvement.

From this review, several opportunities have been identified to streamline packaging types, increase use of recycled and recyclable material and increased reuse of packaging materials.

5 SPECIFIC PACKAGING PRODUCT ACTIONS

5.1 Retail Carry Bags

Australia Post currently provides free carry bags to customers in PostShops, Post Offices and agencies for the transport of retail goods. These bags are 100% recycled content LDPE, branded with Australia Post logo and colours.

Australia Post is actively investigating the potential to use more environmentally sustainable alternatives. A full range of options is being considered, such as multi-use plastic bags, biodegradable bags, calico and paper bags. The current bags represent a high degree of material efficiency and strength, are economical, are made from recycled material and are reusable by customers.

Australia Post is strongly committed to supporting any move to include LDPE film into kerbside recycling systems, and the labelling of bags and other LDPE products accordingly.

Recently Post commissioned an assessment of bag strategy options. These options were based on a desire to achieve environmental improvements and draw heavily on Life Cycle Assessment (LCA) conducted as part of recent studies on shopping bag options and biodegradable bags undertaken by Nolan-ITU for the Department of Environment and Heritage. Australia Post is planning to review the options with a view to determining a strategy in 2004.

5.2 Envelopes

Increased recycled content in envelopes sold through Australia Post outlets was investigated during the year. Through product testing, a maximum recycled content of 65% was found to meet functional specifications.

This maximum recycled content will be maintained, and further developments which allow for higher content, whilst maintaining product integrity, will be investigated.

5.3 WinePak

It was intended that the expanded polystyrene 'WinePak' sold through Australia Post outlets for the postage of wine bottles be phased out as part of the action plan implementation. A functionally comparable alternative has not been found, however, as the pack must meet stringent strength and impact resistance requirements, and polystyrene was the only material found to meet these requirements. Recyclable cardboard alternatives were trialled, but failed safety and functionality tests.

A current polypropylene alternative is available in some outlets – however this material is also not accepted in many recycling systems, and unlike the polystyrene pack, the polypropylene alternative is not reusable, as it has a seal which must be broken in order to open the pack.



In 2003 Australia Post commissioned the Centre for Design at RMIT to undertake Life Cycle Assessments (LCA) of the two existing wine pack products and to undertake a design review of alternative materials. The intention is to develop the most environmentally beneficial option that meets that satisfies the business needs.

The PP pack was introduced to meet customer requirements a few years ago. The response has been mixed with some concerns that the pack is not reusable or recyclable. The preliminary result of the assessment by RMIT shows the EPS pack has the lowest environmental impact of all the packaging alternatives considered.

Australia Post will now evaluate the various alternatives identified in the design workshop before determining its future strategy. It is highly unlikely that it will be undertaking any product change in the near future.

The desire for packaging to be both reusable and recyclable will be a central consideration in the future direction.

5.4 LDPE Satchels

LDPE satchels are used in Express Post and PostPak applications. Significant 'light-weighting' of these satchels has already taken place, and over the past year alternative materials have been actively investigated, including the possibility of biodegradable polymers. No comparable alternative has yet been identified.

Bar-code label alternatives are also being investigated, to increase the potential recyclability of the material. Although LDPE is not currently accepted in kerbside and office recycling systems, an opportunity of labelling the polymer type on the satchels has been identified to facilitate recycling should it be made available.

Australia Post is committed to supporting any move to include LDPE film in kerbside recycling systems or broad retailer take back schemes, and to labelling satchels appropriately.

5.5 PostPak Boxes, Padded Bags and Tough Bags

PostPak boxes supplied by Australia Post for the postage of consumer items are fully recyclable and recycled, with appropriate labelling indicating this. Padded bags are also accepted in the kerbside system, and appropriate labelling indicates their recyclability. It was identified in the packaging review, that Tough Bags, although also recyclable and containing recycled content, do not have this labelling, and this will be pursued in the further implementation of the Action Plan to increase recycling of this packaging item.

5.6 Freight Packaging Film

Product delivered on pallets to Australia Post for distribution is in most cases wrapped with stretch LDPE film. This waste film has been collected for recycling by Astron Plastics from Australia Post's Queensland logistics facility, but was not being recovered from Australia Post's other logistics facilities.



During the first year of the Action Plan, Australia Post has actively pursued the recovery and collection of freight packaging film from these facilities through its contract manager, Thiess. A list of potential reprocessors of this material have been identified in each state, and Thiess is negotiating with appropriate reprocessors and collectors to establish viable recycling collection systems.

5.7 Australia Post as an Environmental Service Provider

Australia Post is involved in partnerships with other corporate and community organisations for the provision of environmental services. This includes a partnership with Planet Ark to recover printer cartridges through Australia Post sites for recycling. This project is undertaken on a national basis. Also in combination with Planet Ark, Australia Post provides recycling drop off opportunities for the recycling of Christmas and greeting card. These cards are collected and recycled.

There is further potential for Australia Post to expand this sort of service and assist in waste minimisation across Australia.

6 THE YEAR AHEAD

In the second year, Australia Post will continue to incorporate its National Packaging Covenant Action Plan implementation and reporting as part of its wider sustainability programs.

Specific actions in focus for the coming year include:

- Continued waste and recycling monitoring;
- Establishment of co-operative supply chain relationships;
- Introducing further labelling initiatives;
- Implementing opportunities identified in packaging review;
- Determine a retail carry bag strategy;
- Investigation of film plastics recovery from production, logistics and distribution sites;
- Increased reuse and send-back of packaging materials; and
- Development of Environmental Packaging Policy.