

Australia Post



National Packaging Covenant Action Plan



3rd Annual Report 2004/05

30 November 2005

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1 Introduction

1.1 Report Purpose

This report is the third annual report submitted by Australia Post to the National Packaging Covenant Council (NPCC) against Australia Post's Action Plan commitments under the first National Packaging Covenant.

As a signatory to the National Packaging Covenant (NPC), Australia Post is committed to developing and implementing an Action Plan, and supporting Australian recycling through contributions to Kerbside Transitional Arrangements.

Australia Post submitted a three-year Action Plan under the NPC in August 2002, for the period of July 2002 to June 2005. The actions committed to in the Action Plan cover Australia Post's packaging in postal, logistics and retail operations.

Australia Post followed up the Action Plan with its first Annual Report on Action Plan implementation in November 2003 (for 2002/03), a second Annual Report on the Action Plan (for 2003/04), and finally this third and final Annual Report, under the first NPC, for the period from July 2004 to June 2005.

Australia Post will be a signatory to the second NPC and, as such, is committed to submitting a new (second) Action Plan to the Council by 30 November 2005. Accordingly this report does not contain a new Action Plan, which will be provided to the Council separately by 30 November 2005. This new Action Plan will also include a review of the outcomes of Australia Post's activities under the first NPC.

Australia Post is committed to continuous improvement in environmental performance, and sees its National Packaging Covenant Action Plan as one tool for achieving this in the areas of solid waste minimisation and packaging management. The recording and monitoring implemented as part of the Plan allows Australia Post to gain an indication of its progress in these areas.

1.2 Australia Post Contact

For more information about this report, or on any matter relating to Australia Post's NPC commitments, please contact:

Andy Trott
Manager – Environment
Level 18 / 321 Exhibition Street
Melbourne Victoria 3001
(03) 9204 7484
andy.trott@auspost.com.au

2 On-going Achievements and Programs

Australia Post is strongly committed to environmental sustainability in its operations, and has therefore established many significant environmental initiatives through recycling, utilisation of recycled materials in packaging, ensuring recyclability of packaging, 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 of Australia Post's achievements and practices are outlined below:

- Green Office Program currently being developed, implementation likely in 2007;
- Greenhouse Challenge program;
- Member of the *Buy Recycled Business Alliance*;
- On going implementation of Environmental Policy;
- PostPak boxes are 100% recycled content and recyclable;
- Retail carry bags are 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 (house-brand) are 60% recycled paper;
- The vast majority of paper-based packaging products are recyclable in standard systems;
- Mail handling bags are extensively reused; and
- Efficient transport, freighting and distribution systems are utilised.

3 Summary of Action Plan Commitments

Table 3.1 – Summary of Action Plan Commitments

Action Focus	Commitments	Activities	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	# Ongoing
	4. Waste and packaging audits	- Audit packaging use and waste levels at Post Logistics facilities	Initial audits carried out	End Year One	✓
	5. Waste and recycling monitoring	- Establish program of on-going monitoring of waste levels	Monitoring established	End Year Two	✓
	6. Strategies for waste reduction	- From audit information, develop simple strategies to reduce waste	Strategies developed and implemented	End Year Three	# Ongoing
	7. Reuse and recycling systems	- Continue use of current systems	Systems operational	Year One-Three	✓
	8. LDPE recycling	- Explore feasibility of film and stretch LDPE collection in major facilities	Exploration and assessment carried out	End Year Two	✓
9. 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	10. Minimisation of packaging	<ul style="list-style-type: none"> - Review packaging - Identify opportunities for light-weighting - Identify opportunities for packaging reduction 	Review carried out and opportunities identified	End Year One	✓
	11. Continued and further use of recycled materials	<ul style="list-style-type: none"> - Identify and implement opportunities for utilisation of recycled materials 	Opportunities implemented	End Year Two	✓
	12. Influence packaging change management				
	13. Ensure recyclability of packaging materials	<ul style="list-style-type: none"> - Develop Environmental Packaging Policy Statement 	Policy Statement developed	End Year Two	✓
Distribution and Freight	14. Review of freight packaging	<ul style="list-style-type: none"> - Review freight packaging and identify opportunities for better efficiency/reuse 	Review carried out	End Year One	✓
		<ul style="list-style-type: none"> - Implement identified opportunities 	Opportunities implemented	End Year Two	✓
	15. Facilitation of reuse/recycling of freight packaging for retail	<ul style="list-style-type: none"> - Provide retail and agency operators with information and resources on reuse and recycling of cardboard cartons. 	Retailers supplied with information and resources	End Year One	✓
		<ul style="list-style-type: none"> - Explore the possibility of a take-back service for used cardboard 	Exploration and assessment carried out	End Year Two	✓

Table 3.1 cont. – Summary of Action Plan Commitments

Action Focus	Commitments	Implementation Methods	KPIs	Timeframe	Completed?
Consumer Packaging Recycling	16. Investigate LDPE recycling	- Hold discussions with relevant government and industry regarding LDPE recycling	Discussions held	End Year Two	✓
			Collection feasibility reviewed	End Year Two	✓
	17. Utilisation of recyclable materials	- All new packaging mediums to be assessed for recyclability and recycled content	Consistently recyclable materials utilised	End Year Three	# Ongoing
Utilisation of Recycled Materials	18. Consumer labelling	- Assess all packaging products for appropriate recycling and disposal labelling - Implement new labelling where necessary	Packaging labelled appropriately	End Year Three	# Ongoing
	19. Commitment to 'Buy Recycled' Program	- Maintain membership of Buy Recycled Business Alliance	Active membership maintained	Year One-Three	✓
	20. 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	# Ongoing
	21. 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	✓

Ongoing – Process established, action will be undertaken when appropriate.

4 Implementation of Third Year Actions

4.1 Product Stewardship

4.1.1 Shared Responsibility

Over the three year time frame of its first Action Plan, Australia Post committed to taking positive action in implementing the Action Plan, and thus achieving reduced environmental impacts by packaging related activities. This commitment has been substantially achieved by Australia Post. As can be seen from Table 3.1 a small number of commitments are either still in progress or have yet to be achieved, but are considered to be still ongoing. Australia Post will continue to address these outstanding commitments, and they will be carried over into the new Action Plan, to be submitted to the NPCC by the end of November 2005.

4.1.2 Co-operative Relationships

While no specific actions were planned during the third year of the Australia Post Action Plan in the area of co-operative relationships, some interesting actions did take place. During the year purchasing guidelines were amended to include Australia Post's sustainability principles, and additionally, a review is currently in progress on Australia Post's tender process and contractual arrangements to determine the best approach to fully integrating sustainability into the procurement process. These actions will integrate consideration of the relative environmental performance of suppliers, within Australia Post's purchasing activities.

2004/05 Achievements:

- *Substantial achievement of Australia Post's commitments under the first National Packaging Covenant.*
- *Purchasing guidelines amended to include sustainability principles.*

4.2 Operations

4.2.1 Co-ordination of Waste and Recycling Contracts

Visy Industries took over the national waste and recycling contract for Australia Post in February 2005, from Thiess Services. Visy is continuing reporting to Australia Post on quantities of materials collected for recycling or sent to landfill in an identical manner to that undertaken by Thiess.

It is hoped that Visy's extensive capability as a reprocessor will offer benefits in terms of improved materials recovery rates for recycling, especially for paper, cardboard and glass. Australia Post is yet to receive waste data in sufficient quantity to evaluate the impact of the changeover. Visy is currently proposing a program for increased recycling activity, this is now under consideration by Australia Post.

4.2.2 Waste and Recycling Monitoring

A requirement for Thiess Services in the original waste and recycling contract was the provision to Australia Post of regular reports on each waste and recycle type removed from the 1,273 official Australia Post sites (excluding material from sites located in shopping centres where waste services are provided by centre management). These reports provide Australia Post with the information needed to monitor and report on its performance and more importantly acts as a source of information for developing further waste minimisation strategies.

This reporting requirement has continued to apply with Visy Industries now responsible for capturing waste data however, with the late changeover of contractors, this year's data was not available for inclusion in this report.

4.2.3 Strategies for Waste Reduction

During 2003/04 an ongoing program for recycling internally generated IT computer waste was introduced at Australia Post sites in most states. Retail shop peripheral devices are now recovered, with all receipt printers (2003/04) and report printers (2004/05) sold for reuse or recycled. In the later half of 2005, monitors and pinpads will also be replaced, all of these will be sold for reuse or fully recycled.

In addition, a special recycling strategy is to be implemented in conjunction with a major IT replacement project, this was originally scheduled for 2004/05, but has now been pushed back to early 2006. It is anticipated that workstations will be sold or passed on for reuse, with any remainder to be recycled. Until this major IT replacement project is undertaken, any computer equipment no longer required by Australia Post is offered to the Computer Technology for Schools program or GreenPC for reuse, or sent to recycling organisations for material recovery. No computer equipment is now sent to landfill.

4.2.4 Reuse and Recycling Systems

Recycling systems are operational at all Australia Post distribution and logistics facilities for cardboard, paper and timber (pallets and shippers). All returnable packaging products continued to be returned to suppliers during 2004/05.

The reuse of an extensive number of cardboard boxes for the distribution of retail supplies to Post Offices and agencies has continued over all years of the Action Plan, and is planned to continue over the life of the new Action Plan. This approach has reduced both costs for new packaging purchases and waste volumes.

4.2.5 LDPE Recycling

Australia Post continues to recycle all LDPE plastic waste from its Queensland logistics centre, and is still undertaking to establish a LDPE recycling solution at the major logistics centres in Victoria and NSW. Progress in Victoria and NSW has been hampered by the relatively small volumes of LDPE, which have to date attracted little interest from plastic recyclers. In 2004/05 a plastic recycler recommended by PACIA was approached and again indicated the LDPE volumes were too low for economical recovery.

2004/05 Achievements:

- *Australia Post diverted nearly 33 000 tonnes of resources from landfill, and achieved a diversion rate of 22.2%.*
- *Continuation of waste and recycling monitoring at all Australia Post sites (excluding retail outlets located in centres where waste management is operated by a centre management.*
- *All computer waste generated by Australia Post is now sold for reuse or fully recycled, no computer waste goes to landfill.*
- *All reusable packaging products continued to be returned to suppliers in 2004/05.*

4.3 Packaging Design

4.3.1 Continued and Further Use of Recycled Materials

In April 2005 Australia Post introduced a 100% recycled content single-use cardboard WinePak as a replacement for its single use polypropylene WinePak. Sales for the cardboard WinePak have already been significantly stronger than for the PP package, and the cardboard package is also 100% recyclable through the current kerbside recycling system. A two bottle cardboard package was released in August 2005.

2004/05 Achievements:

- *100% recycled content / 100% recyclable cardboard WinePak (wine bottle shipping container) introduced as a substitute for the polypropylene WinePak.*

4.4 Distribution and Freight

4.4.1 Review of Freight Packaging Based Activities

Trials continue on the substitution of nylon freight bags, used for the freighting of Express Post articles, with a recyclable bag. The first trial, carried out during 2004/05, assessed the use of LDPE bags as a substitute for the nylon bag, however this trial was not successful as the technical properties of the LDPE bags were not adequate. A second trial is now planned using spun polypropylene (SPP) bags, which are recyclable and weigh 24% less than the nylon bags in use. Australia Post has a recycling system currently in place for the SPP bags.

4.5 Consumer Packaging Recycling

4.5.1 Utilisation of Recyclable Materials

By the end of the third year of the first Action Plan a system was to be developed to ensure that new packages were assessed for recyclability and recycled content. This commitment, while being undertaken, has yet to be completed. It is planned that product development guidelines will be developed for product managers to consider recyclability and recycled content in any new product development. This will take place during the 2005/06 year.

4.5.2 Consumer Labelling

The product development guidelines mentioned above will also include a requirement for new packages to be provided with an appropriate recycling and disposal label, potentially also including information on the recycled content of the package. The planned Product Development Guidelines will include requirements to include assessments for product recyclability and recycled content and the requirement that products are labelled with an appropriate recycling and disposal message.

4.6 Utilisation of Recycled Materials

4.6.1 Commitment to 'Buy Recycled' Program

Australia Post has maintained its commitment to the Buy Recycled Business Alliance, and is continuing to maintain its active membership of the program.

4.6.2 Continued and Further Use of Recycled Materials in Freight and Distribution

In the third year of the Action Plan, Australia Post committed to undertaking a review of its freight packaging supply stream to assess recycled content and extend this content wherever possible. This action has commenced, with initial discussions with Post's key supplier undertaken, and will be completed as part of the new action plan under the revised Packaging Covenant.

4.6.3 Continued and Further Use of Recycled Materials in Retail Products

In the third year of the Action Plan Australia Post committed to undertaking a review of its branded retail product range for recycled content and to extending this content wherever possible. Once again this program has commenced but is at this stage incomplete and it will be a part of the new Action Plan. The product development guidelines previously mentioned will include a requirement for product managers to consider recyclability and recycled content in any new product development. This will take place during the 2005/06 year. Post is pleased to report that, despite not finalising the new review process, the average recycled content of Australia Post's branded retail products is currently 30%.

2004/05 Achievements:

- *An average recycled content of Australia Post branded products of 30%.*

4.7 Other Activities Outside of Action Plan Commitments

4.7.1 Cooperative Partnerships on Environmental Programs

During 2002/03 Australia Post entered into a partnership with the non-profit organisation Planet Ark to collect printer cartridges and greeting cards for recycling through Australia Post retail outlets, these programs have continued in 2004/05. It is also possible that additional collection programs will be introduced at Post in partnership with industry groups who are responding to the requirement for Extended Producer Responsibility.

Plastic Retail Carry Bags

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

During 2003 Australia commissioned a long-term assessment of possible strategies for the reduction in single-use plastic retail carry bags. The strategy identified and agreed to by the National Retail Business Council (NRBC) in the first half of 2005 was to range multi-use bags and assess their success over a three to six month period. All states are currently stocking multi-use bags (standard bags and wallet bags), with some states also stocking green polypropylene bags.

While a formal analysis has not been performed as yet, customers have responded well to the concept and sales of the reuseable bags have been above expectations. Post will evaluate this option and other alternatives again in 2006.

2004/05 Achievements:

- *Continuation of co-operative partnership with Planet Ark for the collection of printer cartridges and greeting cards.*
- *Multi-use retail carry bags rolled out to PostShops, Post Offices and agencies nationally.*

5 Summary of 2004/05 Action Plan Achievements

Action Focus	Commitment	Achievements
Product Stewardship	Take responsibility for products throughout life-cycle	Substantial achievement of Australia Post's commitments under the first National Packaging Covenant. Purchasing guidelines amended to include sustainability principles.
Operations	Waste and recycling monitoring	Australia Post diverted nearly 33 000 tonnes of resources from landfill, and achieved a diversion rate of 22.2%. Continuation of waste and recycling monitoring at all Australia Post sites (excluding retail outlets located in centres where waste management is operated by a centre management).
	Strategies for waste reduction	All computer waste generated by Australia Post is now sold for reuse or fully recycled, no computer waste goes to landfill.
	Reuse and recycling systems	All reusable packaging products continued to be returned or reused in 2004/05.
Packaging Design	Continued and further use of recycled materials	100% recycled content / 100% recyclable cardboard WinePak (wine bottle shipping container) introduced as a substitute for the polypropylene WinePak.
Distribution and Freight	Review of freight packaging based activities	Anticipated substitution of nylon freight bags for recyclable SPP bags.
Consumer Packaging Recycling	Investigation of LDPE recycling	Explored potential for future shopping bag recovery with plastics industry.
	Consumer labelling	New labelling on Tough Bags to indicate their recyclability to consumers.
Utilisation of Recycled Materials	Commitment to 'Buy Recycled' program	Maintenance of active membership in Buy Recycled Business Alliance.
	Continued and further use of recycled materials in retail products	An average recycled content of Australia Post branded products of 30%.
Other Activities Outside of Action Plan Commitments	Cooperative partnerships on environmental programs	Continuation of cooperative partnership with Planet Ark for the collection of printer cartridges and greeting cards.
	Plastic retail carry bags	Multi-use retail carry bags rolled out to PostShops and Post Offices nationally.

6 The Year Ahead – 2005/06

In the fourth year of its activities under the National Packaging Covenant, Australia Post will continue to meet its environmental commitments through the development of a new NPC Action Plan. The implementation and reporting of this new Action Plan will be part of Australia Post's wider sustainability program.

Australia Post will submit a detailed three-year Action Plan to the NPC Council, covering the period from July 2005 to June 2008, by 30 November 2005. This document will fulfil all Action Plan reporting requirements under the NPC 2.