



Australian Packaging Covenant

Australia Post
Action Plan 2011 – 2015

Contents

Managing Director and CEO endorsement	3
1 Introduction	4
1.1 Purpose of the document	4
2 Company overview	5
2.1 Company profile	5
2.2 Corporate structure	5
2.3 Organisational structure	6
2.4 Retail facility network	6
2.5 Location in the packaging chain	6
2.6 Retail brand ownership	6
2.7 Providing packaging as a product	6
2.8 Packaging materials and formats	7
3 Scope	8
3.1 Action Plan reporting period	8
3.2 Base year	8
3.3 Corporate boundary	8
3.4 Product lines and retail facilities sales	8
4 Plan management	9
4.1 Appointed covenant officer	9
4.2 APC working group	9
5 Action plan	10
5.1 Action Plan 2011–15	10

Managing Director and CEO endorsement

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

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

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

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

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

Ahmed Fahour
Managing Director and Chief Executive Officer

1 Introduction

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

To help minimise the environmental impacts of packaging, governments require that brand owners with a turnover larger than \$5million either sign the APC or comply with the National Environmental Protection Measure (Used Packaging Materials) 2011.

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

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

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

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

1.1 Purpose of the document

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

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

2 Company overview

2.1 Company profile

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

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

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

In regard to the information relevant to the APC:

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

2.2 Corporate structure

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

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

2.3 Organisational structure

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

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

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

2.4 Retail facility network

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

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

2.5 Location in the packaging chain

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

2.6 Retail brand ownership

Significant brand owned retail product lines include:

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

A full list of Australia Post's brand-owned products is provided in [Error! Reference source not found.](#)[Appendix A](#).

2.7 Providing packaging as a product

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

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

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

2.8 Packaging materials and formats

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

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

3 Scope

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

- The period covered by this Action Plan
- The base year used for progress reporting
- The subsidiaries and joint ventures covered in this Action Plan
-

3.1 Action Plan reporting period

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

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

3.2 Base year

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

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

3.3 Corporate boundary

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

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

3.4 Product lines and retail facilities sales

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

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

4 Plan management

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

4.1 Appointed covenant officer

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

Nik Comito
Environmental Integration Lead
Level 3, 219,241 Cleveland St
Strawberry Hills, NSW 2012

4.2 APC working group

The Australia Post's 2011–2015 Action Plan will be implemented by a cross functional team, each with specific areas of responsibility and deliverables. Australia Post's APC working group will consist of key members from across our business. The APC working group has been established to oversee the development of this action plan, and will continue to function as the group responsible for the implementation of the action items.

5 Action plan

5.1 Action Plan 2011–15

1. Design – optimise packaging to achieve resource efficiency and reduce environmental impact				
Performance Goals and KPI's	Actions	Target	Milestones	Notes
KPI 1 – Signatories with documented policies and procedures for evaluating and procuring packaging using the SPG or equivalent.	Develop the Sustainability Packaging Criteria (SPC) adapted from the SPG.	Document is: <ul style="list-style-type: none">- developed;- functional; and- relevant to the nature of Australia Post packaging.	SPC tool is developed in consultation with the APC steering group. Controlled in the 'Environment & Sustainability' document system. Re-establishment of the APC steering group with key internal stakeholders engaged and delivering outcomes.	
	All products reviewed against the SPC.	100% of new products are reviewed using the SPC by FY 14. 100% of existing products are reviewed using the SPC by FY 15.	All new products apply the SPC tool as a part of their review process. List of existing products and suppliers developed.	
2. Recycling - Efficiently collect and recycle packaging				
Performance Goals and KPI's	Actions	Target	Milestones	Notes
KPI 3 – Proportion of signatories with on-site recovery systems for recycling and used packaging.	Baseline and reporting of waste on Australia Post facilities.	Baseline assessment complete by FY 14. Reporting function Implemented by FY 14.	Baseline and reporting at monthly meeting.	

	Analyse waste data and identify reduction targets.	Key metrics identified and reduction target agreed on by FY15.	Data analysed and a clear picture of recycling rates established.	
KPI 4 – Proportion of signatories with a policy to buy products made from recycled packaging materials.	All products reviewed against the SPC.	100% of new products are reviewed using the SPC by FY 14. 100% of existing products are reviewed using the SPC by FY 14.	All new products apply the SPC tool as a part of their review process. List of existing products and suppliers developed. SPC tool sent to suppliers to fill out the product details. Review the product information and determine if further work with supplier required.	
	Reviewing the target of recyclable packaging.	Identify and implement target by FY 14	Identification of recycled content into the SPC.	
	Development and implementation of a buy recycled process by FY 14	Assess products for recycled content with the view to increase recycled content.	Process outlined that identified preference for purchasing products made from recycled products.	
3. Product Stewardship – A demonstrated commitment to product stewardship by the supply chain and other signatories				
Performance Goals and KPI's	Actions	Target	Milestones	Notes

KPI 6: Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging.	SPC tool sent to suppliers to fill out the product details Review the product information and determine if further work with supplier required.	100% of new products are reviewed using the SPC by FY 14 100% of existing products are reviewed using the SPC by FY 14.	All new products apply the SPC tool as a part of their review process. List of existing products and suppliers developed. Suppliers provided details for products as requested. Review completed and follow-up activities completed.	
	Work collaboratively with our strategic suppliers & customers to further innovate and provide better packaging recycling outcomes.	100% of products evaluated for opportunities of collaboration by FY 15.	Integrate Packaging requirements into the key process by FY 14. Formalise the results from the SPC and SRM processes to ensure we are capturing opportunities through this process by FY 15.	
KPI 7: Proportion of signatories demonstrating other product stewardship outcomes.	Identify opportunities for Australia Post to work with and encourage product stewardship activities and outcomes.	Develop internal reporting capability for product stewardship programs. Participate in product stewardship industry programs and report involvement in these annually	Identify current opportunities Identify horizon opportunities and build capability internally by FY 14. (and ongoing). Identify possible opportunities with key industry groups.	
KPI 8: Reduction in the number of packaging items in litter.	Support broad community clean up and recycling initiatives by FY 14.	Measurable contribution to the reduction of litter.	Identifying ways or avoidance of litter.	Returnable satchel