

NATIONAL PACKAGING COVENANT



Action Plan

[January 2009 – June 2010]

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EXECUTIVE SUMMARY

This Action Plan provides details of what the PCA will do from January 2009 until June 30 2010 in support of the Covenant and to fulfil its Covenant commitments.

The PCA will continue to participate actively in Covenant matters. Over the last year, the major actions and achievements in which the PCA has been involved have included the following:

- The PCA has participated closely in the negotiations on the framework for an extended Covenant beyond its expiry in mid-2010.
- The PCA made a submission to the Productivity Commission's Annual Review of Regulatory Burdens on Business" (<http://www.pca.org.au/uploads/00723.pdf>) with specific comments on the Covenant together with suggestions for improvement.
- The PCA commissioned the Allen Consulting Group to prepare a report on the implications for the Australian packaging manufacturing industry of an Emissions Trading Scheme as proposed by the Commonwealth Government. This document has been made publicly available (<http://www.pca.org.au/uploads/00672.pdf>).
- The CEO continues to address conferences/meetings etc on the Covenant and regularly participates in industry meetings to consider Covenant matters. The PCA has also provided advice to members (and others) on their Action Plans.
- The PCA website remains one of the major sources of information on the Covenant, as well as environmental and sustainability issues concerning packaging.
- The PCA is participating in the consideration of a revised and more user-friendly Environmental Code of Practice for Packaging (ECoPP).
- The CEO of the PCA has continued as an active Member of the National Packaging Covenant Industry Association (NPCIA) which coordinates industry activity under the Covenant as well as the collection of funds.
- The PCA and its Board of Management continues to regard the Covenant as one of the major issues for the packaging supply chain. The Covenant is the subject of discussion at all PCA Board Meetings.
- The PCA continues to promote coverage of the Covenant in the media, including the mainstream newspapers, radio, trade magazines and environmental journals.

The Covenant – PCA Commitments – 2009/10

The PCA reiterates its previous commitment to take a prominent position in promoting the Covenant to companies in the packaging supply chain and other interested parties. To this end, the PCA is committed to the following:

- **A New Extended Covenant**
 - The PCA reiterates its commitment to work towards a new, extended Covenant with revised, practical and simplified goals and performance indicators.

- The CEO will continue to take an active leadership role in informing companies in the packaging supply chain about the state of play concerning a new Covenant beyond mid-2010.
- The PCA will continue to report annually on its Action Plan achievements and outcomes.
- **PCA Board of Management**
 - The Covenant will again be on the agenda for every meeting of the Board of Management of the PCA for the period covered by this Report.
- **Promotion and Publicity**
 - Information about the Covenant will be contained in relevant PCA publications.
 - The website will be regularly updated on Covenant matters as well as other related environmental matters concerning packaging.
 - The CEO will continue to actively seek appropriate opportunities to speak on the Covenant at public gatherings.
 - Enquiries on the Covenant will continue to be handled by the CEO.
 - The PCA will promote information kits and other information released by the Covenant Council, as well as the key decisions of the Council.
- **Provide Assistance to Members and Others with Action Plans**
 - Proactively offer assistance to members with their Action Plans.
 - Provide briefings to members and, on request, selected non-members.
- **Cooperation and Collaboration**
 - Continue active involvement in the Covenant Council and other Covenant related bodies.
 - Actively assist the Covenant Council Secretariat.
 - Every reasonable effort will be made to assist enquiries for assistance from other groups.
- **Other Commitments**
 - Continue to conduct, on an annual basis, industry and student awards (for primary, secondary and tertiary students), including award categories embracing environmental principles.
 - Support and promote the Environmental Code of Practice for Packaging (ECOPP) and seek to gain a wider industry acceptance and understanding of the Code.
 - The PCA will continue to contribute actively to the National Packaging Covenant Industry Association (NPCIA) and to participate in its deliberations.

- Continue to recycle its used paper and packaging.

Conclusion

The PCA will remain a strong supporter and proponent of the National Packaging Covenant. The PCA will work hard with its members, those companies who are presently non-signatories and all spheres of government to ensure the Covenant's success.

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PACKAGING COUNCIL OF AUSTRALIA

ACTION PLAN COMMITMENTS 2009-2010

On August 27, 1999, the Packaging Council of Australia (PCA) became one of the inaugural signatories to the first National Packaging Covenant. In July 2005, the PCA became a signatory to the second National Packaging Covenant. The PCA is now working to put in place a third Covenant from mid-2010.

This Action Plan is submitted on behalf of the PCA as a Covenant signatory and covers the period January 2009 to June 2010. PCA reports on achievements and the delivery of those commitments made in the previous Action Plan have been provided separately.

This Action Plan does not cover commitments by individual PCA members who are Covenant signatories. They are responsible for submitting their own Action Plans, submitting relevant IDAS data and reporting on their company specific outcomes.

(1) THE PCA'S COMMITMENT

In signing the Covenant, the PCA commits to continue to work to ensure that the Covenant is supported by a broad range of companies across the entire packaging supply chain. In this context, the PCA will continue its efforts to establish a broad base of support for the funding of the Covenant which are signatories.

The PCA will continue to:

- Work to put in place a new Covenant from mid-2010.
- Support and promote the adoption of "continuous improvement" by its members.
- Co-operate with all jurisdiction and across relevant agencies to ensure that the Covenant embodies an "all-of-government" commitment.
- Promote and publicise the Covenant to its members, to companies in the packaging supply chain and to the wider community.
- Encourage its members to adopt the Environmental Code of Practice for Packaging (ECoPP) which is currently being revised and simplified.
- Encourage, facilitate and assist its members to develop appropriate Action Plans in accordance with Covenant requirements.
- Work constructively with other parties to promote the Covenant and to resolve co-operatively any problems that may arise in its implementation.
- Collect and publicise relevant data on Covenant related issues.
- Report annually to the Covenant Council on its efforts and achievements to meet the commitments undertaken in this Action Plan.

The PCA again endorses and commits itself to the following key principles underpinning the Covenant:

- A co-operative approach between industry and all spheres of government is essential to achieve a nationally consistent approach to the management of packaging and paper including its recovery, utilisation and ultimate disposal.
- The necessity to devise Australian solutions to the effective management of packaging and paper and the implementation of sustainable kerbside recycling systems.
- To promote the principle of shared responsibility for the effective management of packaging and paper products including their recovery and utilisation.
- To adopt a collaborative approach to ensure that the management of packaging and paper throughout its lifecycle and the implementation of collection systems including kerbside recycling schemes, produces real and sustainable environmental benefits in an efficient and cost effective manner.
- Establish a forum for regular consultation and discussion of issues and problems affecting the recovery, utilisation and disposal of used packaging and paper, including costs.
- That all parts of the packaging supply chain have a responsibility, both individually and jointly, to ensure that the community is provided with sufficient, accurate information on which to make informed purchasing choices.
- The principle of product stewardship including the ethic of shared responsibility for the including the environmental impact of the product through to and including its ultimate disposal.

(2) THE PACKAGING COUNCIL OF AUSTRALIA

The PCA has approximately 90 member companies in the packaging supply chain - raw material suppliers, packaging manufacturers, packaging users and "others". The national office of the PCA is based in Melbourne. Regular monthly meetings are held in Melbourne and Sydney with quarterly meetings planned for Brisbane.

The PCA does not produce packaging and is a very minor purchaser and user of packaging. Its mission is to "... *provide effective leadership and representation on major issues which impact on the packaging industry to all interested parties including the government and the media. The issues will predominantly be those which affect more than one member or industry group and which demand strong industry representation. The Packaging Council of Australia will actively promote the benefits of packaging, particularly to schools, governments and other groups interested in packaging.*"

The value of packaging produced in Australia is \$AUD11.0–11.5billion; approx 25-30,000 people are directly employed; 65-70% of Australian packaging is used by the food and beverage sector. Australian owned companies are the dominant packaging manufacturers.

(3) THE COVENANT - WHAT THE PCA HAS DONE

The PCA played a major role in the negotiation and drafting of the first Covenant. It was also been closely involved in the formulation of the second Covenant. It is now contributing its expertise to a third Covenant.

From March 1997 when discussions commenced with the PCA on the concept of a Covenant, it has been the major policy issue for the President, CEO and Board of the PCA. It will remain a key issue for the PCA and the Board of Management. The CEO is now the longest serving member of the Covenant Council.

The effort taken and time devoted to Covenant matters demonstrates the commitment by the PCA to ensuring that the Covenant and its outcomes would be to the benefit of all parties involved.

Since the advent of the first Covenant in 1999, the PCA has worked to ensure its success:

- **Promotion and Publicity**

The PCA has promoted and publicised the requirements of the Covenant to its members, to companies in the packaging supply chain and to the wider community. Since 1999, the PCA has done the following:

- The CEO has regularly addressed meetings on the Covenant. In addition, the Covenant has been a major topic at meetings hosted by the PCA. These presentations have highlighted the benefits of the Covenant, the opportunities it presents for companies and the requirements of the new Covenant.
- Virtually every edition of *Packaging Expose* put out by the PCA has, since August 1999, has contained up to date information and analysis about the Covenant and the most recent developments.
- The PCA website - www.pca.org.au - remains one of the major up-to-date sources of information on the Covenant and, more generally, on policy issues concerning the new Covenant.
- The CEO continues to regularly brief and field questions from the media, including journalists from trade magazines, mainstream daily press and environmental journals.

- **Assistance to Members and Companies in the Packaging Supply Chain**

The PCA has vigorously and regularly promoted the Covenant directly to companies in the packaging supply chain. The CEO has given several presentations to staff of individual companies explaining the requirements of the Covenant.

- **Jurisdictional Work Groups**

Under the Covenant, Jurisdictional Work Groups have been established in most States to develop proposals for the allocation of funding designed to implement a market based kerbside recycling system. PCA members participate in Jurisdictional Work Groups.

- **Industry Funding**

Under the Covenant, industry associations have instituted the NPCIA which, inter alia, continues to be responsible for financial contributions from company signatories to the Covenant. The CEO is a Director of the NPCIA.

- **PCA Members Who Are Covenant Signatories**

As a result of efforts by the PCA and others, the PCA members who have signed the new Covenant (or are part of an organisation which has signed) are listed at Attachment A.

(4) THE COVENANT – PCA COMMITMENTS: January 2009 – June 2010

The Board of the PCA remains committed to ensuring the success of the Covenant and will continue its efforts to ensure that the Covenant receives the support of a broad cross section of member companies and others in the entire packaging supply chain.

To this end, the PCA will continue its efforts to promote and publicise the Covenant to its members and to companies in the packaging supply chain and encourage these members to adopt the principles of product stewardship, continuous improvement and other principles embodied in the Covenant. The PCA will also continue to work with other industry groups, governments and local government to implement the Covenant in a cooperative and constructive manner.

In the period until June 2010 the PCA will continue to encourage its member companies to give specific examples of the types of changes in packaging that have been made as a result of the Covenant.

Commitment	The Covenant – PCA Actions	Measurement
The Covenant – Quantifying its Effect	The PCA will continue to encourage companies to publicly document and quantify changes made to their packaging as a result of the Covenant. To this end the PCA website will contain company examples of such packaging changes.	<ul style="list-style-type: none"> • The number of companies providing such examples. • Member companies are responsible for providing relevant company data to IDAS.
The PCA Board of Management	Given the importance of the Covenant, the PCA will ensure that Covenant issues remain high on the agenda for all PCA Board of Management meetings. The PCA CEO/Board of Management comprises Managing Directors and senior officials of major raw material suppliers and packaging manufacturers.	<ul style="list-style-type: none"> • Every Board meeting to discuss the Covenant and latest developments.

<p>Covenant Objectives – Product Stewardship/ Continuous Improvement/ Covenant Friendly Packaging</p>	<p>Promote the major objectives of the Covenant – encourage companies to embrace the principles of product stewardship, shared responsibility and continuous improvement; establish a collaborative approach to the management of packaging and paper throughout its life cycle.</p>	<ul style="list-style-type: none"> • Ensure members are regularly briefed and up to date with Covenant matters and objectives through PCA publications/website. • Participate in seminars and forums where companies in the packaging supply chain and others are included. Presentations to promote key Covenant objectives. • Respond cooperatively with all spheres of government to address issues and overcome problems. • The PCA will itself continue its weekly recycling of used packaging and office paper.
<p>PCA Action Plan</p>	<p>The PCA will report annually on its Action Plan outcomes.</p>	<ul style="list-style-type: none"> • Prompt lodgement of the Report at the end of each calendar year. • Ensure that the Report contains measurable outcomes. • IDAS data for the PCA will be submitted.
<p>Promotion and Publicity</p>	<p>The PCA will ensure that its members remain fully informed about the Covenant by: regular coverage of Covenant issues in PCA member publications; ensuring the website is kept up to date; provide regular briefings to members, both on an individual and association-wide basis; and respond to enquiries about the Covenant from members, non members, other industry associations, all spheres of government and the general community.</p>	<ul style="list-style-type: none"> • Information about the Covenant will be contained in PCA publications and the website will regularly be kept up to date. • The CEO will actively seek opportunities to speak on the Covenant at public gatherings. • The CEO will respond to Covenant enquiries. • The PCA will actively encourage links to its website from others involved in the Covenant process.
<p>Assist Member Companies with Action Plans</p>	<p>The PCA will continue to actively assist members to understand the Covenant and its core principles (product stewardship, continuous improvements, etc.) and in putting together Action Plans which address the required KPIs.</p>	<ul style="list-style-type: none"> • Respond to specific requests for assistance with Action Plans from PCA members. • Provide company specific briefings. • On request, assist suppliers to Member Company with their Action Plans.

Productivity Commission	The PCA will actively assist the Commission with its annual review of Regulatory Burdens on Industry.	<ul style="list-style-type: none"> • Following outcomes of the final report due to be released in mid-2009.
Cooperation and Collaboration	The PCA will continue to actively assist other parties to understand and promote the Covenant and to resolve any problems that may arise. This offer extends to all spheres of government and other industry associations.	<ul style="list-style-type: none"> • Continue active involvement in the Covenant Council and other Covenant related bodies. • As required, the CEO will assist the Covenant Council Secretariat. • Every reasonable effort made to respond to enquiries for assistance from other industry groups.
Publicise Data on the Covenant	The PCA will actively promote Covenant information and achievements, e.g., decisions of Council, Covenant information kits, and Covenant outcomes.	<ul style="list-style-type: none"> • Regular updating of website. • Through speaking engagements. • Publications to PCA members (on average, every month).
Assist Covenant Council Secretariat	The PCA will continue to assist the Covenant Council Secretariat on an "as required" basis.	<ul style="list-style-type: none"> • The CEO to participate in Covenant Council Secretariat functions, including agenda setting, liaison with Covenant Council members and close liaison with the Covenant Council Chair.
Education - Industry and Student Awards	The PCA will, on an annual basis, conduct industry (Australian Packaging Awards) and student (Southern Cross Package Design Awards for tertiary students and the National Packaging Challenge for primary and secondary students) awards which include categories embracing environmental principles.	<ul style="list-style-type: none"> • Encourage industry and students to participate in these (environmental) awards. • Distribute education material as requested to students. • Hold annual conferences for prospective student entrants.
Environmental Code of Practice for Packaging (ECoPP).	Encourage wider industry acceptance and understanding of the Environmental Code of Practice for Packaging (ECoPP).	<ul style="list-style-type: none"> • Working with other stakeholders, to modify the Environmental Code of Practice so that it becomes a more user friendly document. • Include reference to the Environmental Code of Practice in presentations as appropriate. • Respond to company enquiries about the Code.

NPCIA Industry Funding	The CEO will continue as a Director of the NPCIA.	<ul style="list-style-type: none"> • Relevant annual membership fees contributed. • Participate in meetings of the NPCIA. • Facilitate and encourage prompt contributions from member companies that are signatories.
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(5) RECORD KEEPING

The PCA will keep the following records to track its performance against its Covenant commitments:

- Copies of all PCA publications which address the Covenant.
- Copies of PCA presentations.
- Maintain records of industry and student participation in the Awards programs.
- PCA Board of Management agenda papers and minutes maintained.
- Maintenance of website.
- Records of divisional meetings and attendance.

(6) CONCLUSION

The PCA again reiterates that it will continue to be a strong supporter and proponent of the National Packaging Covenant. The PCA will continue to work hard with its members, member companies who are non-signatories and all spheres of government to ensure the Covenant's success. The PCA will make concerted efforts to gain a broader base of support for the Covenant. The PCA looks forward to ensuring that the Covenant is an integral component of the operations of companies in the packaging supply chain. The PCA will encourage its members that sound business development and sensitive environmental management concerning packaging are essential ingredients for success in the future.

ATTACHMENT A

PCA MEMBER COMPANIES THAT HAVE SIGNED THE SECOND COVENANT (as at January, 2009)

Alcoa Australia Rolled Products
Amcor Australasia
Australia Post
British American Tobacco Australia
Bushs Pet Foods Pty Ltd
Cadbury Schweppes Australia Limited
Carter Holt Harvey Ltd
CHEP Asia-Pacific
Confoil Pty Ltd trading as Confoil Containers
Cryovac Australia Pty Ltd
Fonterra Brands (P&B) Ltd
Form-Rite Australia
Fosters Group Ltd trading as Fosters Australia
Frucor Beverages Group Ltd
General Mills Australia Pty Ltd
Goodman Fielder Marketing & Innovation
Huhtamaki Australia
Irwin & Sheehan Pty Ltd
Kellogg (Aust) Pty Ltd
Kraft Foods Ltd
The Le Mac Australia Group
Masterfoods Australia New Zealand
MeadWestvaco Pty Ltd
Murray Goulburn Co-op Co Ltd
Nestlé Australia Ltd
Sara Lee Australia
Selleys Pty Limited
Simplot Australia Pty Ltd
Tacca Plastics
Tetra Pak Marketing Pty Ltd
Viscount Plastics
Visy Industries

ATTACHMENT B

ORGANISATIONS REFERRED TO IN THE ACTION PLAN

Board of Management of the Packaging Council of Australia

Covenant Council and Secretariat

PCA – Member companies that are signatories (see Attachment A)

National Packaging Covenant Industry Association (NPCIA)

PCA – Packaging Council of Australia
