

[Received by email 30/7/08]

Dear Sir/Madam

Re : Productivity Commission 2008, *Annual Review of Regulatory Burdens on Business: Manufacturing and Distributive Trades*, Draft Research Report

Section 6.5 - National Packaging Covenant (Covenant)

I would like to provide comment on some of the issues raised in the draft report relating to the Covenant. What appears to have been completely overlooked in this section of the report is that the main objective of the Covenant is to reduce the environmental impact of packaging. This may be brought about through several ways - reducing the amount of packaging used OR increasing the amount of packaging that is re-used OR increasing the amount of packaging that is collected and recycled.

1. The burden of reporting requirements

The only data reporting requirements for signatories relate to packaging - there is no requirement to report data such as employee numbers.

For example, brand owners are expected to report data on the amount (in tonnes) of packaging used by material type and packaging manufacturers report on the % recycled content of the packaging they produce.

It should be noted that changing packaging design enables the business to reduce costs through less packaging and to report the improvements that have led to an overall reduction in the amount or type of packaging being used, thus minimising the environmental impact.

2. Poor compliance and enforcement - assessment

*"This also diminishes the goodwill of companies as they are uncertain of whether their competitors are complying to the same degree as themselves."*

All action plans and annual reports prepared and submitted by Covenant signatories become public documents once assessed and can be found on the website :

[www.packagingcovenant.org.au](http://www.packagingcovenant.org.au)

It is very easy for any company to check to see what a competitor has committed in their action plan and what progress has been made.

3. Inappropriateness of targets

*"Concerns were raised that as the amount of packaging material used per item is reduced or the packaging material is changed to an 'acceptable' material, damage to products can become more prevalent."*

The Covenant advocates flexibility and does not prescribe or "rate" packaging materials as acceptable or unacceptable. The Code of Practice (ECoPP) has been specifically revised and strengthened to provide companies with a clear framework and guidelines for making appropriate decisions relating to packaging design and material selection.

*"This creates a problem for businesses as they must demonstrate continual progress towards meeting the NPC's arbitrary targets and therefore consistently reduce packaging per item."*

The Covenant targets are overarching and apply only to the Covenant as whole and not to individual businesses. Signatories are asked to show how their actions can contribute towards the Covenant achieving its overarching targets, not to report progress against them individually. There is no requirement on businesses to *consistently reduce packaging per item*. It may be an outcome of actions taken, but is not a requirement.

*"Targets for reduction in the use of new packaging material ..."*

This is totally wrong - the Covenant has 3 overarching targets, none of which relates to a *reduction in the use of new packaging material*.

The 3 targets to be achieved by 2010 are as follows :

- Increase the national recycling rate for all packaging to 65%
- Increase the national recycling rate for plastics 4 - 7, high wet strength & waxed board and composites to 25%
- No increase in the amount of packaging disposed of to landfill.

Should you have any queries, please do not hesitate to contact me.

Regards

Edward Cordner  
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National Packaging Covenant