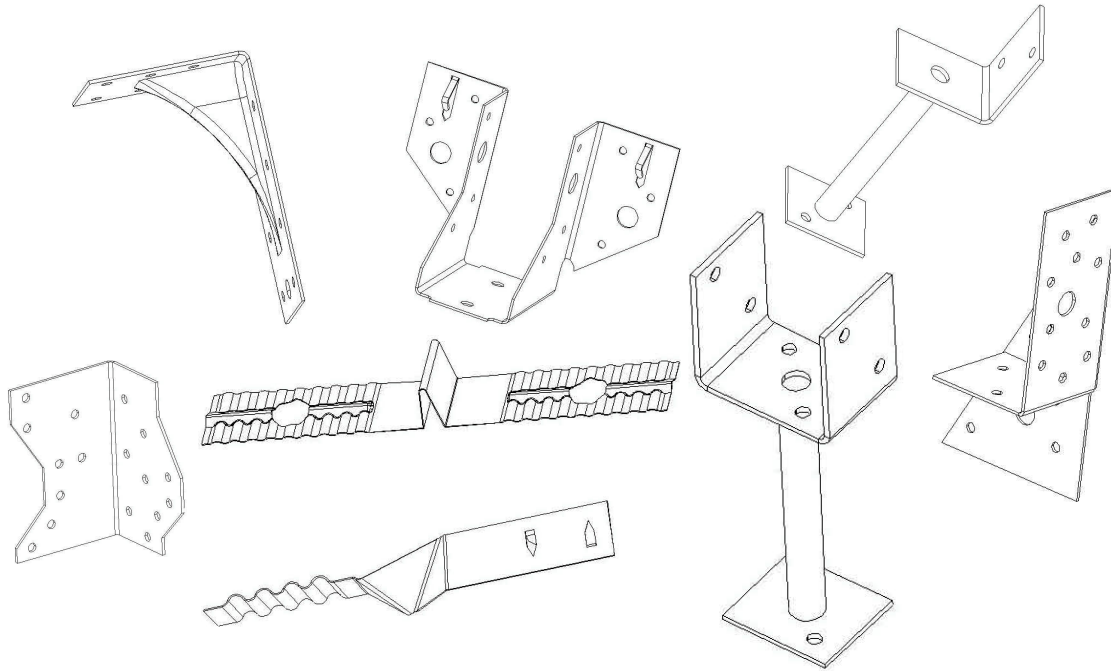


# National Packaging Covenant



## Dunnings Engineering Services PTY LTD

### Signatory Annual Report To 30 June 2010



**Date: 28/09/2010**

**Issue: D**

**For further information, please contact Mr John Gill**

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# Executive Summary

Dunnings Engineering Services PTY LTD is an Australian owned, national brand owner distributing packaged products into Hardware stores and Builders / Plumbers supplies centres Australia wide. The Australian operations involve importing and value adding of imported products and complete responsibility for manufacturing metal pressed items within its wholly owned premises at Dudley Park, South Australia. We employ approximately 20 people Australia wide and hold stock in our head office in Adelaide.

The major brand we market under is the “DES Dunnings” brand.

Being a brand owner, and being an individual covenant participant, Dunnings Engineering Services has decided to take a lead in it's industry and sign the National Packaging Covenant as all members of our staff feel committed to the principles of reduction of packaging waste and resulting contributing to the environment. Such commitment includes contributing to the Transitional Funding Arrangements and recognising the Environmental Code of Practice for Packaging.

The strong belief in managing the packaging stream has allowed us to develop an Action Plan, detailed within this document. The person responsible for the implementation of this action plan and reporting results achieved under it is the General Manager, Mr John Gill. Dunnings considers this action plan to have commenced in November, 2005. The original 5 year plan has now expired and we have made a commitment to be members of the new Australian Packaging Covenant and will report appropriately.

Dunnings clearly has adopted the principles of product stewardship as demonstrated by its commitment to the Covenant. Dunnings uses the principle(s) of product stewardship to assist in achieving its goals in relation to improving packaging.

This is the report for the period ending 30<sup>th</sup> June, 2010.

This report identifies the top 20 products by volume and ensures that these products are a fair sample representing the range of Dunnings products. This report identifies the ratios of product to packaging for these items

This report prepares the raw data as required under the National Packaging Covenant. This year, the data will not be presented to the IDAS data collation system.

This report lists examples of improvements to packaging, and reports on shelf life of products.

This report provides information on in house recycling activities and a statement of formal adoption of the EcoPP.

Further information may be obtained by contacting:

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# Major Brand Names

All products manufactured or imported come with the master brand name DES Dunnings. This name appears on the package prominently and is easily identifiable by the consumer. References to our web site are also included on our packaging.

The Dunnings range can be broken down into 3 ranges

1. Prepack Plumbing. We currently enjoy approximately 3% of the market share.
2. Builders Hardware. We currently enjoy approximately 3% of the market.
3. Bulk Ranges. We currently enjoy less than 1% of the market.

## Top 50 Products

From an analysis of the top fifty products by sales numbers in 2009 / 2010, the following information can be developed.

Code	Description	Total Weight
WCOP2215	OEM COMPONENT	Removed for confidentiality
BFACONN	FACIA BRACKET CONNECTOR22.5HDG	
DVHCRB15	COCK 15MM SCREW NOSE M RB TP	
BHI30HP	HOOP IRON -30 X 0.8- 30M PERF	
DVHCRB20	COCK 20MM SCREW NOSE M RB TP	
BPAA906HDG	POST ANCHOR A 90X600X5MM GALV	
BPAB904HDG	POST ANCHOR B 90X300X4MM GALV	
BAH75G	ANGLE HVY 65X130X65X5 GALV M12	
HGWT	WEEDER TOOL GRANDPA'S	
BAH65G	ANGLE HVY 50X100X50X5 GALV M12	
BHI5H	HOOP IRON 5KG ROLL H/DUTY	
BAH86G	ANGLE HVY 90X150X75X6 GALV M12	
BAH105G	ANGLE HVY 100X100X50X5GALV M12	
BAH115G	ANGLE HVY 130X130X65X5GALV M12	
BCA22	H/D ANGLES 60 X 60 X 70	
BCA23	H/D ANGLES 60 X 100 X 70	
BAH126G	ANGLE HVY 150X150X75X6GALV M12	
BCA44	H/D ANGLES 100 X 100 X 140	
BFACONN27	FACIA BRACKET CONNECTOR 27 HDG	
BCA12	H/D ANGLES 60 X 60 X 35	
DVMCC	MINI CISTERN COCK TP	
BCA24	H/D ANGLES 100 X 100 X 70	
BCA42	H/D ANGLES 60 X 60 X 140	
BCA13	H/D ANGLES 60 X 100 X 35	
BCA14	H/D ANGLES 100 X 100 X 35	
BTLU	TIMBERLOK UNIVERSAL	
BCA32	H/D ANGLES 60 X60 X105	
BAH95G	ANGLE HVY 80X80X40X5 GALV M12	
BCA34	H/D ANGLES 100 X 100 X 105	
BP44	H/D PLATES 200 X 140	
BAH55G	ANGLE HEAVY 40X80X40X5GALV M12	
BAH35G	ANGLE HEAVY 65X65X65X5GALV M12	
BPAA1006HDG	POST ANCHOR A 100X600X5MM GALV	
BAC200X50	ANT CAP 200 X 200 X 50	
BPAC90HDG	POST ANCHOR C 90MM GALV	

BTRL1L	TRIPLE LOK 1L
BTRL1R	TRIPLE LOK 1R
BP14	H/D PLATES 200 X 35
BAH25G	ANGLE HEAVY 50X50X50X5GALV M12
BP34	H/D PLATES 200 X 105
BP24	H/D PLATES 200 X70
BCA43	H/D ANGLES 60 X 100 X 140
BBZG	BRACKET Z50X5X104 19/13/13 GLV
BPAA905HDG	POST ANCHOR A 90X450X5MM GALV
BNP2001	NAIL ON PLATES 200 X 75
BLE100	LAWN EDGING 100mm X 6 MTRS
BAH135G	ANGLE HEAVY 40X40X40X5GALV M10
DVHCBP15	COCK 15MM BACK PLATED T/P
DVHCRBF15	COCK 15MM SCREW NOSE F RB TP
BP22	H/D PLATES 120 X 70
BJS80X45	JOIST SUPPORT 80 X 45

Total Product Sold	488811.385
Total Packaging	13159.57683
Ratio	37.14491668

We can see that the average of the top fifty products by sales volume gives us an overall packing ratio of 37.14. Last year we reported on the top 50 products which gave a packing ratio of 18.287. Once again we see this as a change in the way we sell our products as the sales mix is changing for our items by us doing lower levels of OEM manufacturing and higher sales of heavy brackets in simple cardboard boxes.

When we consider the overall packing ratio of 11.47, we realise that the figures are very dependent on the sales mix of the products, which is a varying issue each year. We also see that some of our lower volume products (by sales numbers) hve a higher percentage of package than product in the overall weight.

## Packing Ratios

From the above information, the packaging ratios can be developed.

They are included in the table above. From calculation, the average packaging ration is 11.47, whilst the top 50 products packing ratio is 37.14.

## Specific Goals

Specifically, Dunnings aims to stop any further decline in the packaging ration. It is clear that techniques that we are using must be more tailored to providing specific information that we can use to provide very clear direction to the packaging designers.

Whilst broad in definition, this goal will require careful consideration to ensure that items do not become “under packed” and damage will occur. We have had this problem before and continue to be aware of the needs for protecting the product.

Dunnings will also sign up to the new Australian Packaging Covenant

Dunnings will continue to role out the use of inner transport boxes as display boxes. Once again, we report success in this innovation and are seeing others in our industry copy this. It is quite clear that we are eliminating the number of separate display boxes required to merchandise our product properly by creating the dual use merchandising / transport inner packaging.

Once again, Dunnings has continued to refine its system of collating the base line data used in this report. The calculations are now done fairly much automatically. Similarly we benefit from the new data base analysis techniques to generate improved data accuracy and efficiency in collation.

## Principles of Product Stewardship

Dunnings has adopted the principles of product stewardship as demonstrated by its commitment to the Covenant.

Further to this end, Dunnings is demonstrating product stewardship by considering the packaging from design, through distribution, labelling, wholesaling and recycleability both when conducting day to day operations of its business or beginning the process of new product development. Such stewardship has resulted in several improvements already having been made.

## Improvements Made

Dunnings has made a financial commitment to the covenant. Equally importantly, we have made a moral commitment to the process of the covenant - leading us to reduce the impact of packaging on the environment.

By June 2010, all our brass tapware is packaged with only a swing tag and eliminates the use of a plastic bag.

Our "I" box concept of reusing the inner packaging continues to generate interest and market place support.

We have used lighter weights of board in our products where possible to reduce the amount of cardboard used.

## Non recycleable packaging

Dunnings major packaging materials used are : PVC plastic, cardboard boxes, cardboard backing cards and returnable stillages. At this stage, we do not use any non recycleable products.

Our research suggests that the packaging can be easily separated at a recycling facility and the use of non recycleable packaging is now all but eliminated.

## On site recycling facilities

Dunnings provides the following waste packaging collection and recycling services in site :

NEW DATA :

General Waste Pickup bin. Approximately 3% by weight of the bin is used packaging.

Cardboard Recycling Bin. – 100% packaging

Plastic recycling bin. – 100% packaging

During the year 2009-2010 systems were used to generate the mass of waste collected by each.

General Waste Pickup bin. –

Small 39 pickups over the year. Avg 0.500T. 3% packaging. Total = 0.585T.

Cardboard Recycling Bin. – 39 pickups over the year. Avg 250kg.. Total = 9.75T.

Plastic recycling bin. – 3 pickups over the year. Avg 100kg. Total = 0.3T

Total Waste Generated (Packing and waste) = 10.635 T.

The resulted in approximately the following weights of

General Waste to landfill : 0.585T of packaging. 5.5 % of Waste packaging.  
Cardboard recycled : 9.75T recycled. = 91.68 % of total waste packaging  
Plastic Recycled :0.3T recycled = 2.82 % of total waste packaging

# Adoption of ECoPP

The EcoPP has been adopted at Dunnings.

This is evidenced by :

## **Source Reduction**

All packaging used by Dunnings will ensure that the sizes and weights of material used in packing will be minimised. However, appropriate levels of products protection and safety must always be maintained. Product packing strategies are also optimised to ensure better “parts per volume” hence driving improvement in outside energy consumption such as transport. This has been shown by the attempts at implementation of “S-PAK” and “I-Box”. Whilst the S-PAK concept has been a relative failure, the HSL concept is still providing very positive results and I – box has been a major success. We have had good success with reducing the packaging on brass tapware.

## **Potential for reuse**

Pallets and skids are reused many times to ensure that peak amounts of packaging is reused in its original form.

Special transport and delivery stillages have been design, manufactured and implemented to minimise the need for disposed packaig.

Outer boxes are used several times for different processes both within and externally to our plant, including a new concept “I box” which has gained wide support and approval from our customer base.

## **Recovery and Recycling**

The packing that is used by Dunnings is to be maximised for it recyclability. The packaging systems are designed to be separated easily so as to minimise the risk of contamination during the recycling process. In this regard, Dunnings does not mix recyclable materials and works to ensure the ease of separation.

## **Ability to incorporate recycled content**

At all stages, recycled materials are considered for use. Where such recycled materials are able to provide sufficient performance and pricing, there is to be a preference shown to recycled materials.

Currently, Dunnings uses recycled cardboard for packing operations and recycles both cardboard and plastics.

## **Minimising Impacts of Packaging**

Hazardous and toxic materials are not to be used within the packaging processes. We do not use hazardous materials in the packaging.

## **Propensity to become litter.**

The nature of the products we sell suggests that the packaging is not usually found in the litter stream.

## **Consumer information**

The process of providing further consumer information on the packing of components continues. We wish to assist our customers to make an informed decision. This process is time consuming and difficult to drive with our current supply arrangements. We are now specifying a project to work on this and produce some results by the 2009 report.

Furthermore, Dunnings has encouraged its suppliers and other parties to read and understand our commitment to the covenant and the ECoPP.

# Baseline Data

This report incorporates the baseline data as required to be reported by October 2010.

Please find a summary of the KPIs below :

**KPI 1A: Report tonnes of packaging by material type and source (Local and Imported)**

Item	2010	2009	2008	2007	2006
	Local - Tonnes	Local - Tonnes	Local - Tonnes	Local - Tonnes	Local - Tonnes
WeightPaper	0	0	0	0	0
WeightCardstandard	10.1	9.5	7.9	6.7	3.82
WeightCardBwaxed	0	0	0	0	0
WeightCardBHighWet	0	0	0	0 0	0
WeightPlasticPETNo1	0	0	0	0	0
WeightPlasticHDPENo2	0	0	0	0	0
WeightPlasticPVCNo3	1.75	1.8	2	2	3.87
WeightPlasticLDPENo4	1.0	0.6	0.4	0.3	0.53
WeightPlasticPPNo5	0	0	0	0	0.03
WeightPlasticPSNo6	0	0.1	0.1	0	0
WeightPlasticOtherNo7	0	0	0	0	0
WeightGlass	0	0	0	0	0
WeightAluminium	0	0	0	0	0
WeightSteel	0	0	0	0	0
WeightComposites	0	0	0	0	0
WeightOther	0	0	0	0	0

Item	Imported	Imported	Imported	Imported	Imported
WeightPaper	0	0	0	0	0
WeightCardstandard	40.5	38	31.7	27	15.26
WeightCardBwaxed	0	0	0	0	0
WeightCardBHighWet	0	0	0	0	0
WeightPlasticPETNo1	0	0	0	0	0
WeightPlasticHDPENo2	0	0	0	0	0
WeightPlasticPVCNo3	7.0	7.4	8.2	8	9
WeightPlasticLDPENo4	4.0	2.3	1.5	1.3	4.8
WeightPlasticPPNo5	0	0	0	0	0
WeightPlasticPSNo6	0.2	0.1	0.1	0.2	0.18
WeightPlasticOtherNo7	0	0	0	0	0
WeightGlass	0	0	0	0	0
WeightAluminium	0	0	0	0	0
WeightSteel	0	0	0	0	0
WeightComposites	0	0	0	0	0
WeightOther	0	0	0	0	0
<b>Total Tonnes of Packaging</b>	<b>64.5</b>	<b>59.8</b>	<b>51.9</b>	<b>45.5</b>	<b>37.49</b>
<b>Total Product Sold</b>	<b>739.5</b>	<b>851</b>	<b>924.212</b>	<b>902</b>	<b>1265</b>
<b>Ratio</b>	<b>11.46</b>	<b>14.23</b>	<b>17.8075529</b>	<b>19.8241758</b>	<b>33.74233129</b>
			<b>9</b>	<b>2</b>	

**KPI 6A Total Weight of Non Recycleable consumer packaging sold per annum into the Australian Market**

WeightPlasticLDPENo4	5.0	2.9	1.5	1.6	5.33
WeightPlasticPPNo5	0	0	0	0	0.03
WeightPlasticPSNo6	0.2	0.2	0.1	0.2	0.18
WeightPlasticOtherNo7	0	0	0	0	0

WeightNonRecyclePaperBoard	0	0	0	0	0
Composites	0	0	0	0	0
<b>Total</b>	<b>5.2</b>	<b>3.1</b>	<b>1.6</b>	<b>1.8</b>	<b>5.54</b>

**KPI 6B Total Non Recycleable packaging as a percentage of total packing sold**

<b>Percentage</b>	<b>8.06%</b>	<b>5.2%</b>	<b>3.1%</b>	<b>4.0%</b>	<b>14.8%</b>
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**KPI 16A : Do you have on site collection facilities for recycling ?**

<b>Answer</b>	<b>Yes</b>	<b>Yes Yes</b>	<b>Yes</b>	<b>Yes</b>
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**KPI 16B : What types of on-site recycling facilities are provided?**

Paper / Cardboard	Yes	Yes Yes	Yes	Yes
Plastics	Yes	Yes Yes	Yes	Yes
Metals	Yes	Yes Yes	Yes	Yes
Organics	No	No No	No	No

KPI 21 : Enter the estimated tonnage of consumer packaging sent for recycling and to landfill from onsite collection facilities

**KPI21A : Consumer packaging from on-site collection which is sent for recycling**

Total Tonnes	10.05	13.05	12.35	11.6	2.56
Percentage of Total waste	94.5%	91.74%	88.1	40.1	7.48

**KPI21B : Consumer packaging from on-site collection which is sent to landfill**

Total Tonnes	0.585	1.175	0.982	0.864	1.58
Percentage of Total waste	5.5%	8.26%	7.4	3	4.61

**KPI22A : Has the Environmental Code of Practice for packaging been formally adopted ?**

<b>Answer</b>	<b>Yes</b>	<b>Yes Yes</b>	<b>Yes</b>	<b>Yes</b>
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**KPI26A : Have you adopted a buy recycled purchasing policy or practices**

<b>Answer</b>	<b>Yes</b>	<b>Yes Yes</b>	<b>Yes</b>	<b>Yes</b>
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**KPI26B : Provide examples**

Cardboard and steel is recycled  
 Recycled Office Paper

**KPI27A : Did you report baseline data including qualifies and assumptions by October 31st 2010**

<b>Answer</b>	<b>Yes</b>	<b>Yes Yes</b>	<b>Yes</b>	<b>No</b>
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**KPI 27B : Have you reported baseline data by 31st October 2010**

Answer No No No No

**KPI 28A : Report Lodged by 31st October each year and outline progress against baseline data**

Answer Yes Yes Yes Yes

**KPI 29 : Annual Report clearly demonstrates continuous improvement and performance against individual targets**

Answer Yes Yes Yes Yes

## Lodgement

This report has been prepared and lodged before 31<sup>st</sup> October, 2010.

This year, the data will not be included with the IDAS as this system is no longer functioning.

## Further Contact Details

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## Management Approval

This document has been discussed and endorsed by the board and support from the highest levels is ensured.



Mr John Gill (MBA, BE)  
General Manager  
Dunnings Engineering Services PTY LTD