



ENVELOPES/ EXTERNAL PRINTING/ TISSUE PAPERS

Introduction:

Unlike the mandatory requirements for the ICT sustainability plan which applies for copy paper contracts; mandatory requirements for envelopes, external printing, and tissue paper are less onerous. This does not mean that environmental impacts which consideration is mandated as per Commonwealth Procurement Rules should not be taken into account in value for money considerations, but in many instances, this is exactly what happens.

External Printing:

To reiterate the CFMEU's submission:

Although the ICT sustainability plan mandates 50% recycled content in office paper progressing to 100% recycled content by 2015, its approach to paper for external printing is that requirements which are mandated for copy paper only need to occur "where possible".

There are two concerns here:

- The recycled content component requirement of the ICT sustainability plan only has to be satisfied "where possible."

- The non- recycled component requirements (fibre comes from sustainably managed forests or other responsible sources) of the ICT sustainability plan only has to be satisfied “where possible.”

Envelopes:

The Department of Human Services States that:

‘Bulk Mail Service for envelopes panel was established in May 2012 via an open tender approach. The tender process involved the consideration of a broad range of factors when establishing whether each supplier’s proposal represented value for money. In addition to pricing, the assessment included risk (including risk to surety of supply), quality, flexibility to adapt rapidly to changing requirements, fitness – for – purpose, and environmental impacts...

Under the conditions of the panel the department uses to source envelopes, the standard EN270 envelope is constructed with at least 60 per cent recycled paper....’

It appears that ‘conditions to participate’ did include environmental considerations such as 60 percent recycled content (and we believe forestry certification for the non-recycled content)

The CFMEU again contends that the process is inadequate in that once the ‘conditions for participation’ were seen to be met in the tender process at the establishment of the panel, the six monthly ‘value for money assessment’ did not take into account comparative environmental impacts for different products. It appears that, (Just as agencies apparently consider all environmental costs are sufficiently analysed through compliance with mandatory ‘conditions for participation’ in copy paper procurements through the WoG SOS) a

similar approach is taken at the Request for Quote stage by the DHS for bulk envelope procurement.

The CFMEU maintains that the Department of Human Services value for money assessment every 6 months when sourcing the individual batches of envelopes is based predominately on price. We have seen Request for Quote documents proving this.

Senator McKenzie asks during the conversation on recycled content in the first public hearing:

'It is essentially an honesty system? Is this the case that if you say it is 50 percent recycled we just accept that on face value?'

Notwithstanding the importance of the issues around the definition of "recycled" as outlined in the responses by Mr Hampton and Mr Dunn in their evidence (and touched upon in the CFMEU's [Supplementary submission] on Copy Paper the answer to the question is exactly the case as per the envelope arrangement according to evidence collected by the CFMEU in response to our concerns that the quality and amount of recycled content in the imported envelopes is questionable.

The issue of declarations was discussed in some detail in the public hearing, for instance; from the Department of Finance:

Mr Sheridan: Indeed. So, because of the procurement-connected policy arrangements in the CPRs, the supplier would have to make certain declarations around those things. And if they made those declarations, that is how that matter would be dealt with.

Senator XENOPHON: Again, it is almost like a conclusive certificate from ministers.

Senator McKENZIE: It is an honesty jar.

Senator XENOPHON: It is a bit of a system. As Senator McKenzie said, is it a bit of an honesty system so that if it is certified it must ipso facto be true?

Mr Sheridan: It requires them to make a declaration. That is the way the policy is established. If they make the declaration then that is what they are meant to do. If the policy requires different compliance then the particular procurement policy that is around that would need to be considered by the department responsible for that particular policy—one of the 24 that there are.'

The CFMEU offers the test results for the Committees Consideration (attachment 1 and 2)

Tissue Papers:

Commonwealth Government Departments and Agencies as a general rule enter into Cleaning contracts that include a supply (of product) and cleaning service agreement with contract cleaners thereby reducing the likelihood on them purchasing directly from a distributor. This would explain the very small amount of product purchases through the SOS arrangement referenced in the Department of Finance's supplementary submission (\$440,000)

It is unclear if, but unlikely, that the cleaning service agreements specify an Australian made product or for there to be mandatory environmental considerations taken into account (like recycled content or forestry certification). Therefore, it is likely that much of the tissue paper is procured in a way which does not provide Australian industry with full, fair and reasonable access to this material government market.

Even if there was a requirement, and we are supporting that these agreements should require purchases of product to be consistent with the *Independent Australian Sustainable Tissue Products Procurement Guide*, there have been issues in the past with product misrepresentation with this product regarding sustainability.

For example in 2007-08 and again in 2011, major Australian retailer (Woolworths) faced stakeholder and consumer action over tissue products labelling – including one self-certification statement – that was misleading and false. Claimed sustainability credentials were proved incorrect and in at least one case, had not been properly reviewed by the retailer.

As the Pulp and Paper Industry Strategy Group observed in its final report:

'In 2007, Woolworths removed tissue and toilet paper products from its shelves after a misleading forest sustainability symbol was included on the packaging and the supplier was unable to prove that the products were not made from illegally or otherwise unsustainably logged timber.'¹

This supports the fact that that relying on endorsement of claims provided by a body that is not independent, for example supplier of cleaning services, retailer, or company (in the case

¹ See: 'Woolworths busted over 'environmental' toilet paper' <http://www.abc.net.au/news/2007-08-23/woolworths-busted-over-environmental-toilet-paper/648704>

of the recycled content in the envelope procurement example) is not best practice in procurement.