



GOLDEN COCKEREL PTY LTD

NATIONAL PACKAGING COVENANT

First Annual Report 2005 – 2006

of
ACTION PLAN 2005 – 2008

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1. Introduction

This is the first Annual Report on progress towards goals set out in our Action Plan 2005 -2008.
This report details usages in the period 1/07/05 to 30/06/06.

2. Company Details

Golden Cockerel Pty Ltd

Head Office: Mt Cotton Rd., Mt Cotton Qld 4165
PO Box 142, Cleveland Qld 4163

Subsidiaries:

Sugar Coast Food Distributors Pty Ltd, 69 Thabeban Rd., Bundaberg Qld 4670

Capricorn Food Distributors Pty Ltd, 89 Whitman St., Yeppoon Qld 4703

Matilda Pet Food Pty Ltd [head office], 21 Barramul St., Bulimba Qld 4171(no longer operating but was operating during the time covered by this report.

Company Contact:

Ron Turner

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3. Company Profile

Golden Cockerel Pty Ltd is a private company and is the largest Queensland owned chicken processing company. Our major facility is a chicken processing plant situated at Mount Cotton and the company currently processes in excess of 15 million chickens per year at this site. It started as a small family business and has now developed into an efficient, highly specialised, computerised operation employing over 300 people.

The company produces a full range of fresh and frozen whole chickens, chicken pieces, de-boned chickens and value added chicken products. Fresh products are marketed extensively in Queensland and northern New South Wales while frozen products are sold in most states of Australia and the Pacific Islands. Customers include Coles, Bi-Lo, Woolworths, Red Rooster, Lenard's, Metcash, Collins Foods(YUM!) and many other smaller supermarkets and butcher shops.

Subsidiary companies are

- Sugar Coast Food Distributors Pty Ltd [Bundaberg]
- Capricorn Food Distributors Pty Ltd [Yeppoon]

and

- Matilda Pet Food Pty Ltd. (Ceased operation 3/04/06)

The two food distribution companies market fresh and frozen food products including chicken. Matilda Pet Food employs approximately 40 staff producing pet food for the wholesale and retail markets. They produce de-boned kangaroo meat and pet food products consisting of beef, kangaroo and chicken meats.

All plants are accredited by Safe Food Queensland [Q Safe] while the Mt Cotton Processing plant is additionally accredited by WQA [Woolworths], Yum Restaurants and AQIS [Export].

Brands:

Products are packed under the following brands:

Chicken and chicken products Golden Cockerel

Pet Food Matilda (Brand is still owned)

Turnover/Market Share

The Golden Cockerel Group of companies has an annual turnover of \$80 million. This represents a Queensland market share of :-

- 20% for chicken
- 15% raw material supply to the fresh pet food meat market(up to cease of operations on 3/04/06).

Place in Packaging Chain

Golden Cockerel Pty Ltd is a food manufacturer and is thus a user of packaging materials.

4. First Year Highlights

Total production dropped by 10% this year due mainly to

- Consolidation within the chicken market, and
- Closing of our pet food business(Matilda Pet Food Pty Ltd) on 3/04/06.

Total weight of consumer packaging used over the year dropped by 8%.

Packaging weight per tonne of product packed increased by 3%.

The increase in this ratio is due to

- Difference in usage rates between the chicken and petfood businesses, and
- Increase in proportion of chicken products being supplied in cartons resulting from changes to customer requirements (now supply to another supermarket warehouse).

Total weight of cardboard used increased by 3% over the year, total weight of non-recyclable packaging used decreased by 32%.

5. Coming Year

In the coming year it is expected that a higher percentage of our production will be packed into cartons (rather than returnable plastic tubs) due to customer requirements, which will result in a further increase in packaging weight/weight of product packed.

Also we will be increasing our supply of chicken products into supermarket meat departments in addition to increased delicatessen supply. This will increase the percentage of our production that will be packed into laminated trays, thus increasing the quantity of non-recyclable plastics being sold into the market.

Both these increases are still expected to be within our original estimates detailed in our Action Plan 2005 - 2008.

6. Changes to Action Plan 2005 -2006

The method of reporting on KPI #26 has been modified and this will require a modification to Action Plan and Targets for 2008. This is reflected in the KPI Table on the following page.

7. KPI

KPI	Measurement	Usage July 2004 to June 2005	Usage July 2005 to June 2006	Target for July 2008
#1. Total weight of consumer packaging per weight of total product packaged	Total weight of consumer packaging Total weight of products packaged Packaging weight/tonne of product packaged	855 tonne (All local) 31,098 tonne 27.5 kg/tonne	787 tonne (all local) 27,853 tonne 28.3 kg/tonne	30.0 kg/tonne
#3. Improvements in design, manufacture, marketing and distribution to minimise the environmental impacts of packaging	Liase with packaging suppliers on improvements which will minimise environmental impacts.	Yes	No further packaging design improvements have been implemented this year.	Continual liaison with packaging suppliers.
#4. Changes to protection, safety, hygiene, shelf-life or supply chain considerations affecting amount and type of packaging used	Total cardboard and paper used	591 tonne	609 tonne	669 tonne
#6. Total weight, by type of non-recyclable packaging sold per annum into the Australian market	Plastic Code 4 Code 5 Code 6 Code 7 TOTAL % of total packaging	212.1 tonne 2.8 tonne 3.7 tonne 34.2 tonne 253 tonne 29.6%	131.5 tonne 1.2 tonne 4.0 tonne 35.0 tonne 172 tonne 21.7%	29.6%
#16. Percentage of signatories providing recycling collection facilities for post-consumer packaging generated on-site.	We collect office paper and used cartons on-site for recycling	Yes	We are continuing to collect waste cartons and office paper for recycling.	Will continue to collect same as current
#21. Estimated tonnage of consumer packaging recycled and sent to landfill respectively, from on-site collection facilities.	Recycling Landfill	50 tonne/annum 7 tonne/annum	48 tonne/annum 7 tonne/annum	50 tonne/annum 7 tonne/annum

KPI	Measurement	Annual Usage July 2004 to June 2005	Annual Usage July 2005 to June 2006	Estimate/Target for July 2008
#26. Implementation of Buy Recycled purchasing policy or practices	Total weight of packaging with recycled content.	591 tonne	609 tonne	-
	% of total packaging	69.1%	77.4%	80%
	Weight of recycled material used.	212 tonne	238 tonne	-
	% of total packaging	24.8%	30.2%	31%
		At June 2005	At June 2006	
#22A. Environmental Code of Practice for Packaging	Has it been adopted		Yes	
#27. Baseline Data	Submitted by due date	Yes	Yes	
#29. Annual Report	Shows continuous improvement		No	

Signed on behalf of Golden Cockerel Pty Ltd.

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R Turner Manager – Product Development and Quality

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R Dullaway Chief Executive Officer