Green Office Procurement

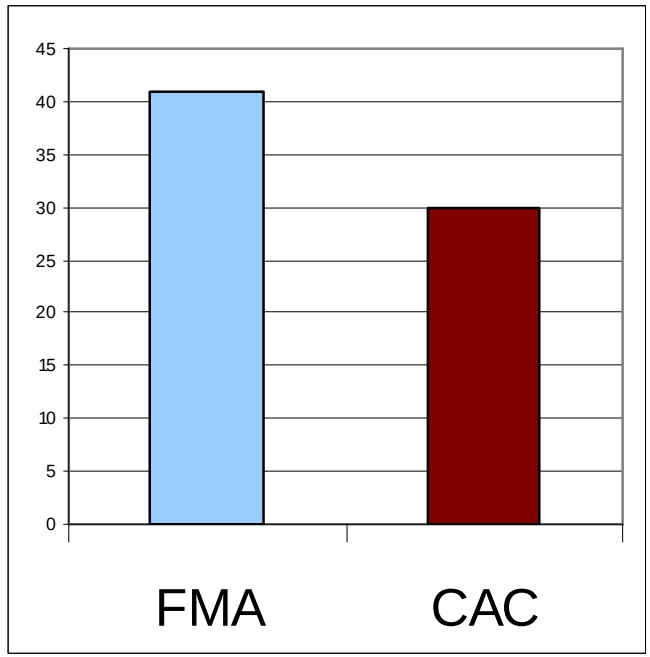
Presented to the INTOSAI Working Group on Environmental Auditing; Tanzania

24-26 June 2007

Australian National Audit Office

ANAO audit of Green Office Procurement

- December 2005 ANAO tabled an audit on Green Office Procurement covering 71 Government agencies involving over $17 billion in procurement.



Australian National Audit Office

Methodology

- We used an electronic survey with a dedicated website that enabled responses online (outside of firewall problems).
- We could see who had started the survey, when they had completed it and which agencies needed to be followed up.
- Questions were pilot tested and carefully crafted so that agencies could easily respond to non-compliance with government policy but need to provide evidence to support a positive response.
- We verified a sample of responses for accuracy.

Performance Targets

- Half of agencies did not have policies in relation to whole of life cycle costing or any environmental performance targets
- **The ANAO recommended that agencies set targets in the areas of water, energy, waste and vehicles**
- Critical to the lack of targets was the slow implementation of Environmental Management Systems

Targets	Percentage
Energy	41
Paper	34
Vehicles	30
Waste	28
Water	20
Chemicals	10
No targets	49

Australian National Audit Office

Environmental Management Systems (EMS)

- 32 (45%) had an EMS in place;
- 13 of these had an EMS that covered 100% of their office spaces;
- 7 (10%) had EMS certified to ISO 14001;
- Agencies with an EMS indicated less barriers to green procurement, set more environmental targets, undertaken more energy and water saving initiatives, had a greater knowledge of waste produced and were more active in recycling.

Australian National Audit Office

Office Equipment and Stationery

- Agencies purchase $20 million worth of paper pa.
- A low percentage of agencies gave preference to environmentally friendly goods and services
- Only 61% used life cycle costing as standard procedure in equipment purchases;
- Only 24% of agencies have provisions for the recycling and reuse of ICT equipment – very important as over 700,000 computers go to landfill pa involving nearly 20,000 tonnes of hazardous waste.

Australian National Audit Office

Waste Management

- Building construction and demolition waste contributes 30-40% of the waste to landfill in Australia - about 8 million tonnes nationwide;
- Agencies good at recycling paper and toner, however only 65% were able to report on their costs and only 23% could specify actions to meet the Government's commitment to reduce packaging waste;
- The National Packaging Covenant aims to have Post-consumer packaging waste recycled to be increased from 48% in 2003 to 65% by 2010 – most agencies need to do more to help achieve this target.

Australian National Audit Office

Australian National
Audit Office

Water Conservation

- 19,100 ML/year is an estimate of total Commonwealth water consumption;
- Reductions of up to 80% to 90% of scheme water and sewage discharge can be achieved in a sustainable commercial building (Institute of Sustainable Futures; UTS).

Initiatives	Percentage
Flow reduction measures	29.6
Leak detection programs	35.2
Alternative water supply sources	8.5
Water metering	28.2
Water efficient dishwashers	59.2
Dual flush toilets	66.2
Grey or other water treatment system	7

Australian National Audit Office

Building Energy Efficiency

- The ANAO found that agencies complying with govt policy requirements had significantly improved their energy consumption.
- For example agencies that had installed timer switches on heating and lighting had achieved a 32% reduction in energy use compared with 2% for agencies that had not.
- **The ANAO recommended that agencies consider implementing energy management plans, energy audits, digital energy metering and other energy conservation measures.**

Australian National Audit Office

Barriers to Green Procurement

- Identifying green products is difficult and time-consuming;
- Identifying an appropriate range of green suppliers is difficult and time-consuming;
- Monitoring of office procurement is not sufficiently precise to know whether green office procurement is happening or not;
- No financial incentives to facilitate green office procurement;
- Budgetary constraints or processes do not allow green office procurement even though this might produce longer term financial savings.
- 10% said green office procurement was not a priority in their agency.

Australian National Audit Office

ANAO Conclusions

- only a small number of better practice examples of green office procurement across the Government.
- Performance by agencies as a whole in meeting the Government's expectations in office building energy efficiency had been good.
- Performance in managing motor vehicle emissions, reducing or recycling general office waste and conserving water has been variable and in the majority of cases, poor.

Australian National Audit Office

ANAO Conclusions

- Implementing EMSs has been slow and few agencies have met the timetable originally envisaged by the Government;
- There was an absence of specific requirements in waste management and water conservation;
- There were identified shortcomings in agencies meeting the Government's stated objective to be at the forefront of environmental purchasing practices;
- Overall, Sustainable development had not been fully integrated into Australian Government operations.

Australian National Audit Office

Recommendations

- **In total 16 ANAO recommendations to improve performance in sustainable office practice.**
- **The final recommendation (No 16) sought to strength the sustainability framework for Australian Government operations. It was directed to the Environment Department to achieve best practice green office procurement in energy, water, waste and procurement practices by:**
  - Updating or introducing targets and policies;
  - Developing a comprehensive website and communications strategy including an updated website
  - Monitoring and reporting against performance targets and progress being made.

Australian National Audit Office

Response to the audit

- Agencies generally supportive and seeking to improve performance.
- The Department of the Environment has developed an improved strategic framework for sustainable government business operations across government agencies.

Australian National Audit Office

Developments since the audit

- Support by two Parliamentary Committees.
- New energy strategy for agencies to achieve revised energy intensity portfolio targets by 2011-2012.
- Minimum energy performance standards in office building contracts, (ie green leases)
- A new National Action Plan to provide national leadership in sustainable development through education and learning is being implemented.

Australian National Audit Office