

Key Victorian Government Policy Commitments– Improving the Sustainability of Procurement

Our Environment Our Future: Environmental Sustainability Framework (ESF) (2005)

The following text is taken from Commissioner for Environmental Sustainability Strategic Audit ([http://www.ces.vic.gov.au/CA256F310024B628/0/FACB8EA77026BF46CA2575BA001C2C88/\\$File/EMS+audit+final+high+res.pdf](http://www.ces.vic.gov.au/CA256F310024B628/0/FACB8EA77026BF46CA2575BA001C2C88/$File/EMS+audit+final+high+res.pdf))

In 2005, the Victorian Government committed to an environmental sustainability leadership position through the development and adoption of the Our Environment, Our Future: Environmental Sustainability Framework (ESF). The ESF document and the supporting Environmental Sustainability Action Statement, (ESAS), 2006 provide key strategic directions, objectives and interim targets for reducing Victoria’s environmental impacts. The ESF states one simple message: *‘we must make environmental sustainability a part of everything we do, if we are to maximise our future economic growth, maintain our quality of life and protect our unique Victorian environment’*. (p6).

In doing this, the ESF defines three broad ‘directions’ in which all Victorians must pursue to move towards being a Sustainable State. These are:

- maintaining and restoring our natural assets
- using our resources more efficiently [including less waste and increased resource efficiency]
- reducing our everyday environmental impacts. (p17)

The ESF is aimed at all Victorians, but it specifically commits Government to taking the lead and commits the State government to incorporating environmental sustainability into day to day decision-making through business planning and operations from July 2006. It further commits government to building environmental sustainability into government policies, programs, regulations, investments and budgets and charging the Commissioner for Environmental Sustainability with the task of annually reviewing the implementation of that commitment. (p17)

One of the ESF’s specific objectives was that “Victoria produces less waste by avoiding, reusing and recycling”, with an interim target being “the quantity of solid waste reduced, and that the amount recovered for reuse, recycling and energy generation increased”. (ESF, p 27)

Our Environment Our Future: Environmental Sustainability Action Statement (ESAS) (July 2006)

Developed in 2006 as a partner to the ESF, the Environmental Sustainability Action Statement (ESAS) is one of the main mechanisms that government departments and agencies use to operationalise the strategic directions of the ESF. It includes specific commitments to Government Leadership, including Action 16.1 committing Government to consolidating the success of the EMS program by expanding environmental management programs into statutory agencies. This commitment covers all agencies.

The government is able to use their significant purchasing power when buying everything from cars to paper, to send strong market signals for sustainable products and services. Section 16 also includes actions to improve the sustainability of procurement, including section 16.3 (Sustainable procurement) and 16.11 (Resource efficiency).

The Commissioner for Environmental Sustainability provided recommendations to the Government on improving the sustainability of motor vehicles, office goods and services, and office

accommodation procurement. The Government has agreed on a number of these recommendations, to send strong market signals to suppliers, and to promote redesign and innovation, including:

- Ensuring there are no restrictions on purchasing hybrid vehicles by Government departments
- Ensuring mandatory recycling or reuse of all new Government owned computers
- Establishing minimum energy and water efficiency standards for whitegoods and other major appliances
- Supporting as appropriate suppliers who will take back their products and packaging for recycling or reuse

In addition, each department and agency will be encouraged to produce its own action plan outlining how it will implement more sustainable practices to reduce consumption and minimise waste.

Victorian Government Purchasing Board Environmental Procurement Policy (2009)

The Victorian government seeks to purchase goods and services that are aligned with the objectives of environmental sustainability. The Victorian Government Environmental Procurement policy, with accompanying principles and guidelines, provides guidance for Victorian government departments on how to embed environmental considerations into procurement decisions for goods and services consistent with the purchasing principles outlined in the policy:

Principle 1: Departments are to purchase goods and services that have reduced impacts on the environment compared with competing products and services that achieve the same function and value for money outcomes.

Principle 2: Departments are responsible for addressing environmental procurement considerations and reporting on implementation.

Principle 3: Departments should define their environmental procurement priorities based on an assessment of environmental risk and their ability to influence environmental outcomes.

Principle 4: Departments are to purchase based on the principle of Value for Money and should therefore consider the total cost of ownership in meeting the department's business needs and procurement budgets.

Principle 5: Departments should consider where appropriate the inclusion of minimum environmental requirements in specifications.

Principle 6: Departments should consider the inclusion of environmental criteria in the selection of suppliers where appropriate.

Principle 7: Department relationships with suppliers should include the principle of continuous environmental improvement.

Principle 8: Staff with purchasing authority are to be offered training in environmental procurement.

Information on this policy can be found at

<http://www.procurement.vic.gov.au/CA2575BA0001417C/pages/procurement-practitioners-stage-1---planning-step-3---develop-the-procurement-strategy-environmental-procurement-policy>).

The three phases and resources provided by ECO-Buy's Victorian State Government Sustainable Procurement Program are aligned with the principles of the Victorian Government Purchasing Board's Environmental Procurement Policy and Guidelines.

Commissioner for Environmental Sustainability Strategic Audit recommendations (2009)

The Commissioner for Sustainability conducted a strategic audit on the adoption by government agencies of the Victorian Government's Our Environment, Our Future Environmental Sustainability Framework (ESF), 2005 directions and the relevant supporting Environmental Sustainability Action Statement (ESAS), 2006

([http://www.ces.vic.gov.au/CA256F310024B628/0/FACB8EA77026BF46CA2575BA001C2C88/\\$File/EMS+audit+final+high+res.pdf](http://www.ces.vic.gov.au/CA256F310024B628/0/FACB8EA77026BF46CA2575BA001C2C88/$File/EMS+audit+final+high+res.pdf)).

The Commissioner reported that "there is much to be proud of in the environmental management programs established over the [last] five years and reported increases in resource use efficiency over that period" (p3). He also noted that "it is imperative that the Victorian Government continues to build on its foundation environmental management programs to cover all its operations, policies and programs, to demonstrate its ongoing leadership commitment to environmental sustainability and in reducing its own ecological footprint" (p5).

In particular the Commissioner noted on page 6 that "the Victorian Government is one of, if not the biggest, purchaser of goods and services in Victoria. As such, it should be actively driving environmental procurement from the centre of Government and form a core element of its value for money proposition".

The audit recommended the following four Sustainable production and consumption – procurement actions (p12):

4.1 Conduct a review of the Victorian Government's annual purchasing expenditure and how this can be better strategically used to minimise operational environmental impacts, provide for job creation and support Victoria's economic transition to a low carbon economy.

4.2 Prioritise environmental sustainability in policy by setting specific targets/requirements for sustainable procurement. This could include threshold values or type of procurement based on environmental procurement profiles for which appropriate requirements or targets can be set.

4.3 Consider opportunities to include specific environmental sustainability objectives as part of the functions of the Victorian Government Procurement Board or other governance framework for procurement, as part of the review of the Victorian public finance legislation, Financial Management Act 1994.

4.4 Review opportunities to drive the uptake of innovative energy and water efficiency technologies and their commercial demonstration.

One of the Commissioner's major findings on procurement (p 45) was that "participation in the ECO-Buy Pilot has led to an increase in green procurement activity particularly in assessment and planning as a foundation for genuine action. Some participants, for example, have progressed to a review of their high end/high impact spending for 2008-09."

Furthermore, a key opportunity identified in the audit (p 45) was for 'Staff with financial delegations of \$25,000 or more to undergo formal training on sustainable and green sourcing and share best practices through programs such as ECO-Buy'.

Commissioner for Environmental Sustainability Sustainable Procurement recommendations

The Government has also accepted or accepted in principle 81 recommendations associated with improving sustainability of procurement provided by the Commissioner since 2005. These are mainly the responsibility of individual departments to develop further systems, tools, resources or procedures to further progress sustainable procurement. These recommendations can be viewed at:

[http://www.ces.vic.gov.au/CA256F310024B628/0/397AB58844A70D16CA2571DA00825A13/\\$File/DS+E--+Response+to+Procurement+Recommendations.pdf](http://www.ces.vic.gov.au/CA256F310024B628/0/397AB58844A70D16CA2571DA00825A13/$File/DS+E--+Response+to+Procurement+Recommendations.pdf)