



Appendix – ANAO recommendations

The ANAO's recommendations and a brief summary of agency responses are listed below.¹

Recommendation

No. 1

Para 2.4

In order to ensure that environmental considerations are integrated into procurement decisions the ANAO recommends that FMA agencies and CAC entities (where they have not already done so), amend their Chief Executive Instructions or internal policies as appropriate to require purchasing officials to have regard to whole of life cycle assessment and the Environmental Purchasing Guide in their purchasing decisions.

Agencies Response:

43 agencies and entities agreed with or were supportive of this recommendation.

Recommendation

No. 2

Para 2.11

In order to enhance the accessibility and quality of guidance on green procurement, the ANAO recommends that the Department of the Environment and Heritage, in consultation with the Department of Finance and Administration and other agencies as appropriate:

- (a) enhance the accessibility of information on green procurement;
- (b) include examples of 'whole of life cycle' assessment as an integral part of procurement; and

¹ ANAO, Audit Report No. 22, 2005-2006, *Cross Portfolio Audit of Green Office Procurement*, pp. 26-35. For more detailed responses from key agencies see pp. 133-150.

- (c) ensure that all information is regularly updated and supported with better practice examples where practicable.

Agencies Response:

The Department of the Environment and Heritage agreed with this recommendation.

Recommendation

No. 3

Para 2.22

In order to improve sustainable business practices and strengthen compliance with government policy, the ANAO recommends that FMA agencies and CAC entities (where they have not already done so) give further consideration to:

- (a) implementing an EMS based on ISO 14001 or an equivalent standard for their organisation; and accrediting at least one of their larger sites to ISO 14001 or an equivalent standard; or
- (b) advising their Minister if there are particular circumstances preventing action in this area (for example, where the costs may outweigh the benefits for smaller agencies).

Agencies Response:

43 agencies and entities agreed with or were supportive of this recommendation, however one entity qualified their agreement.

Recommendation

No. 4

Para 2.30

In order to improve the quality and consistency of sustainable practices, the ANAO recommends that FMA agencies and CAC entities (where they have not already done so), consider implementing challenging but realistic targets in water, energy, waste, and vehicles as part of the design and implementation of their Environmental Management Systems.

Agencies Response:

43 agencies and entities agreed with or were supportive of this recommendation.

Recommendation No. 5 In order to improve the value for money from common office goods and services and the consistency of sustainable practices, the ANAO recommends that:

Para 3.12

- (a) the Department of the Environment and Heritage in consultation with relevant agencies, investigate the scope for benchmarking the environmental attributes and indicative value for money of common office goods and services across agencies; and
- (b) FMA agencies and CAC entities consider the opportunities for group purchasing clusters for the procurement of common office goods where appropriate.

Agencies Response:

43 agencies and entities agreed with or were supportive of this recommendation, however, two of these agencies qualified their agreement.

Recommendation No. 6 In order to improve the impact of the energy requirement in office equipment purchases and the management of electronic waste, the ANAO recommends that:

Para 3.30

- (a) the Department of the Environment and Heritage and the Department of Finance and Administration include, as part of their agency guidance, good practice principles in relation to managing surplus or obsolete computer and ICT equipment (including appropriate stewardship clauses in ICT contracts); and
- (b) FMA agencies and CAC entities (where they have not already done so), ensure that, in line with current government policy, all new appliance purchases include a provision for a 4- star or better energy rating under the Appliance Energy Efficiency Rating Label Scheme, where available and fit for purpose.

Agencies Response:

43 agencies and entities agreed with or were supportive of this recommendation, however, three of these agencies qualified their agreement.

Recommendation No. 7
Para 3.61

In order to reduce emissions from the Australian Government's vehicle fleet, the ANAO recommends that the Department of the Environment and Heritage in consultation with the Fleet Monitoring Body in the Department of Finance and Administration and other agencies, consider, as a priority within the planned review of the policy:

- (a) measures to encourage greater energy efficiency in future vehicle leasing arrangements or purchases within the Australian Government fleet; and
- (b) setting appropriate individual fleet energy efficiency targets for agencies (including for the Department of Defence fleets), in consultation with agencies, so that each agency is clear on what is required.

Agencies Response:

The Department of the Environment and Heritage agreed with this recommendation.

Recommendation No. 8
Para 3.68

In order to improve the environmental performance of the Australian Government fleet, the ANAO recommends that FMA agencies and CAC entities (where they have not already done so), consider, where practicable and consistent with current Government policy, options to reduce greenhouse gas emissions.

Agencies Response:

43 agencies and entities agreed with or were supportive of this recommendation, however, two of these agencies qualified their agreement.

Recommendation No. 9
Para 4.11

In order to improve the quality and consistency of more sustainable water management practices, the ANAO recommends that:

- (a) the Department of the Environment and Heritage provide better practice guidance to agencies and entities on the costs, benefits and indicative payback periods from the adoption of water conservation practices; and
- (b) FMA agencies and CAC entities (where they have not already done so), consider appropriate targets and cost effective measures to reduce water consumption.

Agencies Response:

43 agencies and entities agreed with or were supportive of this recommendation, however, one entity qualified their agreement.

**Recommendation
No. 10****Para 4.24**

In order to improve sustainable practices in office refurbishments or fit-outs, the ANAO recommends that FMA agencies and CAC entities (where they have not already done so):

- (a) ensure that whole of life cycle assessments for building construction, office refurbishments and fit-outs explicitly include environmental impacts with the aim of achieving reductions in waste to landfill and improving value for money over the longer term; and
- (b) consider measuring and reporting on the environmental management of major refurbishments as part of reporting on sustainability in their annual report.

Agencies Response:

41 agencies and entities agreed with or were supportive of this recommendation, however, one agency qualified their agreement. The Department of Health and Aging and the Department of Defence disagreed because of their need for further guidance in relation to part (b).

**Recommendation
No. 11****Para 4.35**

In order to improve the quality and consistency of sustainable practices, the ANAO recommends that FMA agencies and CAC entities (where they have not already done so), consider the introduction of cost effective:

- (a) commingled and organic waste recycling schemes for office waste management; and
- (b) clauses in purchasing contracts to minimise packaging waste.

Agencies Response:

43 agencies and entities agreed with or were supportive of this recommendation, however, one agency qualified their agreement.

Recommendation No. 12
Para 5.30

In order to improve the quality and consistency of reporting on Energy Use in Australian Government Operations, the ANAO recommends that the Department of the Environment and Heritage focus reporting on changes in energy intensity in future reports and include appropriate caveats on any reported changes in total energy consumption.

Agencies Response:

The Department of the Environment and Heritage agreed with this recommendation.

Recommendation No. 13
Para 6.20

In order to reduce energy consumption in Australian Government operations and improve compliance with Government policy, the ANAO recommends that FMA agencies and CAC entities (where they have not already done so):

- (a) consider introducing energy management plans that take into account operational and property management requirements across the portfolio;
- (b) conduct energy audits, where appropriate, to determine high priority energy savings that can be made across the organisation;
- (c) ensure that separate digital metering for tenant light and power and for central services is standard practice at all major sites with ongoing leases; and
- (d) implement all energy conservation initiatives that are cost effective within remaining lease periods.

Agencies Response:

42 agencies and entities agreed with or were supportive of this recommendation, however, three of these agencies qualified their agreement. The Department of Defence disagreed with part (d) of the recommendation on the basis that funding decisions for energy initiatives are considered on their merits within overall facility funding.

- Recommendation No. 14**
Para 6.37
- In order to improve the sustainability and leadership role of the Australian Government in good building design the ANAO recommends that FMA agencies and CAC entities (where they have not already done so):
- (a) consider an appropriate energy rating scheme for their existing property portfolio such as the Australian Building Greenhouse Rating; and
 - (b) develop an efficiency target for portfolio tenancies and buildings using this energy rating scheme.

Agencies Response:

43 agencies and entities agreed with or were supportive of this recommendation, however one agency qualified their agreement. The Department of Health and Aging disagreed with part (a) of the recommendation. Health commented that 'while the Department agrees with an energy-rating scheme for new properties, they do not support it for existing properties. The Department considers that like many agencies housed in older stock, the exercise of evaluation is not regarded as cost effective given the remaining lease period.

- Recommendation No. 15**
Para 6.45
- In order to improve compliance with government policy and strengthen sustainable business practices, the ANAO recommends that FMA agencies and CAC entities (where they have not already done so) consider joining the Greenhouse Challenge Plus program.

Agencies Response:

43 agencies and entities agreed with or were supportive of this recommendation, however, five of these agencies qualified their agreement.

Recommendation**No. 16****Para 7.11**

In order to strengthen the sustainability framework for Australian Government operations, the ANAO recommends that the Department of the Environment and Heritage pursue strategies to:

- (a) achieve best practice green office procurement by Australian Government agencies and entities, in energy efficiency, water conservation, waste management and in procurement practices by an appropriate date (such as 2008-09);
- (b) update current policies and targets and introduce additional required targets to reflect the commitments in each of the areas identified above;
- (c) develop a comprehensive website and communications program to advise Australian Government agencies and entities on the requirements and mechanisms to achieve the targets; and
- (d) regularly measure performance against the targets and monitor and review the targets and policies in terms of their alignment with better practice; and
- (e) require reporting on progress towards sustainability targets.

Agency Response:

The Department supported this recommendation in general, but noted that there are limitations on what strategic actions they can pursue across a range of issues at once. The Department proposes to develop a strategic framework for public sector environmental performance (no such framework currently exists). This framework will contain agreed principles, which can then inform further policy development in specific areas, such as water and waste. This further work can be a mix of updating existing policy and developing new policy in areas currently not addressed, such as water efficiency.