Making government spending sustainable

Protecting the environment one government purchase at a time

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A new report reveals what factors influence whether Australian governments are successful at adopting green purchasing policies, Elizabeth Bruns, Nicole Darnall, Kylie Flynn, and Angela Fox write.

In 2015, Australia’s government purchasing accounted for 36 per cent of the country’s gross domestic product. All the time, the government is buying construction material, chemicals, vehicle fleets, office materials, and electronics.

These purchases collectively contribute to global climate change, and a host of other environmental concerns during their manufacturing and use. As a result, many Australian governments are adopting sustainable purchasing policies to reduce their environmental impacts.

A sustainable purchasing policy formalises an organisation’s commitment to reduce the environmental harms associated with its purchasing and procurement.

Because of the potential benefits of sustainable purchasing, in 2018 the Australian Government created the Sustainable Procurement Guide, which outlines sustainable purchasing principles and guides local governments through implementation.

Clearly, the government recognises this is an issue, but local Australian governments are not required to adopt sustainable procurement and participation in this type of policy implementation is low. This needs to be improved, as resolving these challenges will help create a more sustainable economy and environment.

Those that do implement a green purchasing policy can experience significant hurdles, even with guidance from the Sustainable Procurement Guide.

The United Nations Environmental Programme and the Organisation for Economic Co-operation and Development identified low adoption rates and difficulties with implementation as causes for concern that shouldn’t be ignored.

https://www.policyforum.net/making-government-spending-sustainable/
While this is concerning, the research showed that there are key factors that fuel adoption and successful implementation of these policies, giving policymakers the tools to improve in this area.

Importantly, complementary policies are core to the successful adoption of sustainable green purchasing policies. For example, managers who used a municipal-wide sustainability policy report an 86 per cent increase in sustainable purchasing success.

By contrast, municipalities that do not have a municipal-wide sustainability policy report only a 53 per cent likelihood of successfully implementing their sustainable purchasing policy. A mandate for such a report would be a simple step to improve the adoption of these policies.

Also, those who reported the successful implementation of a green purchasing policy were more likely to have access to relevant environmental information to aid their initiatives, and this is another area where other Australian governments could step in and support them.

For example, when a municipality actually knows the scale of the environmental impact that results from its purchases, green purchasing success jumps from 33 per cent to 74 per cent.

Similar increases in implementation success are associated with the presence of green product/service lists, tracking of spending on environmental products and services, and access to an online database of green products and services.

While government could do this directly, vendors can also help provide this information. When vendors offer environmentally friendly products and services, municipalities’ sustainable purchasing success increases by 36 per cent. Government should encourage additional collaboration with vendors to increase the success of their green purchasing policy.

Government leadership and department culture are also factors in whether the policy is a success. When top leadership is responsible for implementing environmental practices, the probability of green purchasing success improves.

The results suggest that accountability at all levels is critical to implementation success, and innovative departmental cultures help significantly. When municipalities reward employees for developing innovative solutions, successful implementation increases from 42 per cent to 59 per cent.

These findings shed light on why some Australian municipalities are far more successful than others at implementing green public purchasing policies. If Australian policymakers can learn from these best practices to implement or strengthen their green purchasing policies, they will make a significant contribution to environmental and economic sustainability throughout the country.