

Submission to Inquiry: Sustainability Reporting in the New South Wales Public Sector Inquiry

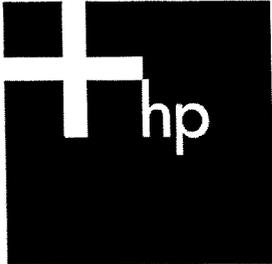
Processed submission received 27/10/2004 10:10:22 AM

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Confidentiality **General submission**
Readers **[All Committees], [Public Accounts], [LA Ecrú]**

Hewlett-Packard's response to the Sustainability Reporting in the New South Wales Public Sector Inquiry outlines HP's approach to environmental sustainability in all aspects of our operations, and argues that procurement decisions should be more closely aligned with environmentally sustainable outcomes.

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**Environmentally Sustainable Procurement
An HP White Paper prepared in October 2004**

**Submitted in response to the Parliamentary Inquiry into
Sustainability Reporting in the NSW Public Sector.**

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Introduction

HP welcomes the opportunity to respond to Parliamentary Inquiry into Sustainability Reporting in the New South Wales Public Sector. As a leader in the Australian information technology industry, and a major supplier to the New South Wales Government, HP has a significant contribution to make to this discussion. In particular, HP believes that environmental sustainability should be more effectively integrated with procurement policy in the NSW Public Sector.

This response outlines HP's multi-faceted approach to environmental sustainability in all aspects of our business, and concludes by recommending that government procurement decisions should take environmental considerations into account more than they do at present. Environmentally sustainable procurement is an initiative HP believes would be best served by partnership between governments and the industry. We are very keen to open a constructive dialogue with the New South Wales Government, to discuss ways in which procurement decisions could be leveraged to create better environmental outcomes, and a more sustainable public sector.

HP in Australia

For HP, Australia is not just a market for our products. As a leader in Australian information technology, HP contributes to the local IT industry by partnering with local small and medium-sized firms, driving complementary demand and providing employment to thousands of Australians. Through philanthropic initiatives, HP in Australia also makes a strong contribution on social issues such as e-inclusion and access to education. Through an innovative and responsible approach to design, manufacturing, and recycling, HP pro-actively contributes to the sustainability of the Australian natural environment.

HP is committed to responsible corporate citizenship, and this is reflected in our corporate objectives. As a global leader in technology, we want to see an ever-increasing amount of people sharing in the benefits technology can provide. HP's targeted, philanthropic programs addressing e-inclusion seek to address the digital divide in creative, innovative ways. HP also engages with local communities to address disadvantage and educational outcomes through financial and technological support.

Skilled jobs, professional development, and a substantial contribution to the Australian economy...

- HP employs over 4,000 people in its Australian operations
- 70 per cent of our product sold locally is manufactured in Australia.
- Generating revenue of over \$2 billion per year, HP also makes a substantial contribution to the Australian economy by stimulating complementary demand in the IT and related sectors.
- HP is committed to Australia and its trading position, generating more than \$50 million in exports in the last year.

Advice, support and strategic industry development...

As a leader in information technology products and services, HP is keen to identify strategic opportunities to support and partner with innovative small and medium-sized enterprises in the local IT industry.

- HP often makes direct investments in companies developing unique software for the Australian and global markets or offering services strategically aligned to our own.



- HP also provides skills development, training and support through partnerships with over 4,000 firms that supply our products or provide complementary services. The vast majority of these are small and medium-sized enterprises.
- Since 2001, HP has provided almost \$3 million in grants and assistance for Australian doctoral research projects, and a further \$400,000 sponsoring innovation and the creation and development of new technological solutions.
- As part of HP's support for employment growth and development of the IT&T industries in Australia, HP has established a range of Application Development Centres and solution Centres of Excellence. This multi-million dollar investment supports customers and business partners seeking validation of best-in-class solutions.

Philanthropic support for e-inclusion and education...

- Through our 2003 Applied Mobile Technology Solutions Grants Program, HP has provided financial support in excess of \$400,000 for projects at the University of Melbourne and Charles Darwin University innovatively utilising mobile and wireless technology to enhance access to technology and educational outcomes. The HP Mobile Technology for Teaching Grant Initiative – 2004 has continued this theme, providing grants totaling in excess of \$310,000 to Curtin University of Technology and RMIT University for projects exploring and developing the innovative application of mobile technologies in learning environments.
- HP has also provided philanthropic financial and in-kind support to The Smith Family, the School of the Air, Western Cape College, Odyssey House, Technical Aid for the Disabled and the Starlight Foundation. Through InfoxChange, HP sponsored a training facility in a Fitzroy public housing estate for 2,000 financially-disadvantaged Australians and contributed to the Green PC program.

HP is proud to be a leader in the local information technology industry, and is committed to producing better social, economic and environmental outcomes for Australia.

The HP Approach to Environmental Sustainability

HP takes a pro-active approach to minimising its impact on the environment. HP has voluntarily ensured its entire manufacturing operations fulfill the ISO 14001 standard and is currently in the process of developing innovative processes for the return of end-of-life computer equipment from consumers in Australia. HP is committed to reducing the environmental impact of its products, starting from the design stage and continuing throughout the product's life cycle.

We believe that an effective environmental strategy incorporates more than one element of the product life cycle— whether design, reuse or recycling. All these elements complement each other and as such can help to ensure a sustainable outcome.

HP demonstrates its serious commitment to environmental sustainability in a number of ways...

Design for the Environment

HP developed its Design for Environment (DfE) program over 10 years ago to reduce the environmental impact of our products and services. In addition to meeting safety and regulatory requirements, our objective is to design products that use fewer materials, are more energy efficient, are easier to use and maximise overall value for our private and public sector customers. A network of HP product stewards work with product designers, research and development teams and customers to identify, prioritise and recommend environmental design innovations.



For example:

- rather than using glues and adhesives, HP designs some products to snap together mechanically, which has increased the recyclability of our inkjet cartridges by 25 per cent.
- All components of LaserJet print cartridges are labeled for recycling.
- HP has also designed NonStop servers which allow customers to simply upgrade their microprocessors and memory boards, extending their use by over a decade.
- Most of HP's products have a modular design that allows various components to be removed, upgraded or replaced which extends the useful life of the product.

HP products are specifically designed to maximise energy efficiency, use less materials, minimise the use of hazardous materials, and provide enhanced recyclability. As a recognition of these design features many of our products are qualified with an eco-label or comply with eco-label criteria. HP is developing a tool to help product designers assess the recyclability of new products at the design stage. We expect to make this tool available to our designers in 2004 to enable using recyclability as a key product metric.

HP is committed to providing consistent, accurate and comprehensive environmental information for our products. In order to achieve this HP certifies many products under commonly recognised eco-labels and supports product self-certification. Today many HP products meet voluntary standards of eco-labeling and certification programs e.g. US EPA Energy Star, German Blue Angel, Taiwan Eco-Mark, TCO, Canadian Environmental Choice logo and Japan PC Green Label. HP supports the harmonisation of eco-labeling criteria and actively participates on eco-label and green procurement development teams. In addition HP participates and fully supports the IT Eco-Declaration, a self-declaration scheme for declaring environmental attributes of IT products. Today more than 550 HP products have an IT Eco-Declaration. The IT Eco Declaration draws criteria from many current eco-labeling systems and as such provides a comprehensive tool for procurement professionals to compare product like-for-like and to make an informed procurement choice.

Environmentally Sound Manufacturing Operations

HP was one of the first global businesses to implement a comprehensive environmental management system (EMS) to drive performance in all facets of our operations. Our systems and audit processes ensure that our facilities and operations incorporate programs for waste minimisation, energy conservation and recycling. HP is actively working to reduce greenhouse gases, improve the energy efficiency of our products and operations, and influence employee behaviour to reduce the environmental impact of our internal operations. As a result, HP was one of the first global businesses to achieve company-wide ISO 14001 certification of our worldwide manufacturing operations.

Recycling HP Products

Electronic waste is a growing environmental concern, and the information and communication technology industry has a responsibility to contribute to addressing it. HP has a vision of offering recycling services wherever we sell our products around the world and we continue to work towards that goal. HP has set a world-wide goal for recycling of IT hardware and printing supplies recycling. We aim to recycle 1 billion pounds by year 2007. Over a decade ago, HP pioneered a convenient, free of charge system for customers to recycle LaserJet printing supplies. This service has since been expanded to include inkjet printing supplies. This is available in every region around the world, including Australia.

Through a partnership with Planet Ark and a recycling service provider, 'Close the Loop', HP has created a recycling program to take back used printer cartridges in Australia. Through this



initiative, HP has recycled 60,000 ink and toner cartridges, and helped to divert 269,000m³ of materials from landfill.

The Cartridges 4 Planet Ark program works with Close the Loop, an Australian recycling company whose technology is so advanced that nothing goes to waste, and no materials are sent to landfill.¹

HP and the Australian Information Industry Association (AIIA)²

Through its role in the Australian Information Industry Association (AIIA), HP has contributed to the development of a draft product stewardship plan to facilitate the collection and recycling of computer hardware from consumers.

Product stewardship refers to the ethical responsibility manufacturers have for their products throughout their lifecycle, and particularly at the stage of their disposal which is critical in the context of environmental sustainability.

The AIIA has advocated the development of an industry-driven national program based on their RecycleIT! pilot which was launched in 2002. According to the AIIA, industry will fund the program through the collection of voluntary fees reflecting the size of their share of products returned through the plan. The plan is clearly designed to be flexible and complement existing (and future) recycling programs developed by individual companies. The AIIA has stated that it believes governments have a key role to play and are well-positioned to reduce regulatory barriers and provide economic incentives to support the development of this program. Apart from requesting that governments provide seed funding, bans on landfill, anti-dumping mechanisms, and community education programs, the AIIA believes that procurement guidelines should reflect the principles of environmental sustainability and favourably recognise those suppliers participating in effective systems for product take-back.

Australian and New Zealand Environment Ministers Welcome AIIA Plan

In April 2004, the Environment Protection and Heritage Council (EPHC) which encompasses Ministers from Australian State and Federal Governments and the New Zealand Government welcomed the AIIA's product stewardship plan stating the following:

'The computer industry has also made progress, and Ministers welcomed a draft product stewardship plan that indicates the computer industry also intends to set up a recycling scheme. Australians send approximately 1,000,000 computers to landfill each year. Across the globe, governments and industries are increasingly adopting a product stewardship or whole-of-life-cycle approach to manage electrical and electronic waste. The progress shown today by the television and computer industries demonstrates that Australia, too, is actively working to manage our impact on the environment and support industries that are sustainable'.³

Environmentally Sustainable Procurement (ESP): A Government-Industry Partnership

HP believes that environmental considerations and proactive product stewardship initiatives should be supported by governments, and sees the development of environmentally sound procurement guidelines as an appropriate response. By recognising firms that participate in voluntary product stewardship and allowing that recognition to be reflected in procurement decisions, governments can indirectly provide a financial incentive for the entire industry to more effectively engage with sound environmental practices, and contribute to the business case for environmental sustainability in the information technology industry.

Next Step

HP is keen to partner with governments to drive better environmental outcomes in Australia.



We believe that when industry and government build constructive relationships and work together to find practical solutions, great things can be achieved. The development of more environmentally sustainable procurement guidelines is one issue we would like to discuss further with the New South Wales Government, and HP would welcome the opportunity to do so.



¹ Planet Ark, 'Cartridges 4 Planet Ark', <http://www.planetark.com/campaignspage.cfm/newsid/5/story.htm>, accessed 14 September 2004.

² This entire section is based on materials available at www.aiia.com.au and in particular, the media statement available at <http://www.aiia.com.au/cgi-bin/dpms/dvl.cgi/1095128067/dpms/1374/134159116226/EXPLORER6/AIIAsDraftStewardshipPlanWelcomed.pdf>

³ Environment Protection and Heritage Council (EPHC), 'Ministers Focus on Cleaning Up Our Air, Our Waste and Our Environment', Communique, 16 April 2004, <http://www.ephc.gov.au/index.html>