

CASE STUDY OF A SUCCESSFUL AUSTRALIAN NATIONAL INDUSTRIAL DEVELOPMENT

PROGRAMME/STRATEGY – GREENHOUSE FRIENDLY

Australia has in place a range of policy instruments to address the issue of climate change, which are tailored to its own national circumstances, including its unique economic conditions and industry structure. These include regulatory, market-based and voluntary instruments, as well as grants programmes.

The following case study outlines an example of how government and business can work together successfully to reduce greenhouse gas emissions, through a voluntary market-based approach.

How Greenhouse Friendly works

Greenhouse Friendly provides Australian businesses with the opportunity to market greenhouse-neutral products or services, deliver greenhouse gas abatement and give Australian consumers greater purchasing choice.

Under a rigorous certification process, the “cradle-to-grave” greenhouse gas emissions associated with the production, use and disposal of products or services are fully offset by accredited greenhouse abatement projects. Consumer confidence is provided through an objective independent verification process that underpins Greenhouse Friendly certification. Products and services that meet certification requirements are eligible to be labeled with the Greenhouse Friendly certification logo. Consumers can use the Greenhouse Friendly logo to make environmentally friendly purchasing decisions.

There are currently six Greenhouse Friendly certified products (Table 1), the first of which was certified in 2001.

Table 1: Certified Greenhouse Friendly products

Product	Company
BP <i>autogas</i> TM	BP Australia
<i>Earth Friendly</i> electricity	Western Power
Green Balance TM electricity	AGL
Global Choice TM Programme, incorporating G50 ultra low sulphur diesel, G32 diesel, BP regular unleaded, and BP premium unleaded	BP
Ultimate 98 (for sale to fleet card holders only)	BP
GreenEarth Gas	Origin Energy

To be eligible for accreditation under Greenhouse Friendly, abatement projects must generate permanent, verifiable greenhouse gas emission reductions, avoidances or sequestration. Emissions reductions must be in addition to those that would have occurred in the absence of the Greenhouse Friendly initiative. Projects can use a wide range of approaches to reducing greenhouse gas emissions, including renewable energy, energy efficiency, fuel switching, methane recovery and forestry activities.

Currently there are 12 Greenhouse Friendly accredited abatement projects (Table 2). These projects are projected to offset a total of 1.8 million tonnes of carbon dioxide equivalent by December 2006.

Table 2: Accredited Greenhouse Friendly abatement projects

Project	Company	Estimated abatement (tCO₂-e per annum)
6 landfill gas projects	AGL	167 000
3 landfill gas flaring projects	Landfill Management Services	59 000
1 waste gas capture and flaring (non-landfill)	Origin Energy Electricity	240 000
1 fuel switching project	A.J. Bush & Sons	9 000
1 composting facility	Collex Pty Ltd	14 000

Benefits for industry development

Greenhouse Friendly is engaging various levels of the community – government, business and consumers – in taking practical action to reduce greenhouse gas emissions. The initiative is facilitating industry development by increasing the demand for both emissions-neutral products and services and reductions of greenhouse gas emissions. By stimulating additional private sector financing for emission abatement activities, Greenhouse Friendly is also accelerating the uptake of low emissions technologies and practices.

Greenhouse Friendly provides a way for certified product and service providers to demonstrate corporate social responsibility and their commitment to sustainable development. At the same time, they can enhance their reputation as an environmentally responsible company in an increasingly environmentally aware market.

1. The problem or issue addressed:

Greenhouse Friendly promotes a voluntary market-based approach by Australian industry to reduce Australia's greenhouse gas emissions. It provides Australian businesses with the opportunity to market greenhouse neutral products or services, deliver greenhouse gas abatement and give Australian consumers greater purchasing choice.

2. Name of the initiative:

Greenhouse Friendly

3. Timeframe: Ongoing Year started: 2000

4. Status: Ongoing

5. Main objectives:

- To engage consumers on climate change issues and greenhouse gas abatement;
- To broaden the basis for investment in greenhouse gas abatement;

- To enable product manufacturers or service providers to market a product or service that is greenhouse neutral; and
- To give consumers the confidence to make a choice based on accurate and reliable information.

6. Lead institution:

The Australian Greenhouse Office, in the Australian Department of the Environment and Heritage, manages Greenhouse Friendly and approves product certification and abatement projects. The Australian Greenhouse Office also licenses and monitors the use of the Greenhouse Friendly Trade Mark (logo) by certified product/service providers and undertakes promotion of the initiative.

7. Other implementation arrangements and stakeholders involved:

Greenhouse Friendly Programme Administrator

The Australian Greenhouse Office has appointed a Programme Administrator to assess applications for certification of products and services and accreditation of abatement projects in accordance with technical specifications and guidelines. The Programme Administrator makes certification recommendations to the Australian Greenhouse Office and provides technical advice to the Australian Greenhouse Office and participants. The Programme Administrator also organises independent verification services and life cycle assessments for participants.

Panel of Independent Verifiers

A panel of independent verifiers has been set up to provide verification services to Greenhouse Friendly participants when required.

Life Cycle Assessment (LCA) experts

The panel of LCA experts is being set up to provide life cycle assessments to product and service providers applying for Greenhouse Friendly certification.

Product and service providers

Companies may apply to have their products or services certified. Once certification is granted it becomes the ongoing responsibility of the product or service providers to maintain certification of the product or service by adhering to the Greenhouse Friendly guidelines. Product and service providers are responsible for ensuring that appropriate abatement is available (sourced from their internal operations or externally) to offset the emissions associated with their certified product or service.

Abatement project providers

Abatement providers may apply to have their abatement projects accredited. Once accreditation is granted, it becomes the ongoing responsibility of the abatement providers to maintain accreditation by adhering to the Greenhouse Friendly guidelines.

8. The results achieved

There are currently six Greenhouse Friendly certified products and 12 Greenhouse Friendly accredited abatement projects (see Table 1 and 2 in attached text). Providers of Greenhouse Friendly certified products are expected to offset a total of 1.8 M tonnes CO₂-e through Government-approved and independently verified abatement projects by December 2006.

9. The relationship of the programme to internationally agreed goals and targets

Emissions reductions generated from Greenhouse Friendly contribute towards Australia's efforts to reduce domestic greenhouse gas emissions. While Australia has decided not to ratify the Kyoto Protocol Greenhouse Friendly has helped Australia be on track to meet the 108 per cent of 1990-level emissions for 2008–12 target set at Kyoto.