

VECCI's business sustainability products and services for small businesses

Compass

Carbon Compass, an exciting initiative from Carbon Down, is a web based community of businesses and organisations sharing their sustainability and carbon reducing knowledge, experience and practical solutions.

Visit www.carboncompass.com.au or call 03 8662 5490 to register your business.

Grow Me The Money

A 12-step program, Grow Me The Money will take your business through strategies to reduce your carbon footprint, save money and report credibly on your savings to customers, staff and the community. Grow Me The Money participants save on average \$7019, across all three utilities, and deliver over 60 tonnes of carbon abatement (from a sample of 288 business participants).

Join Grow Me The Money today at www.growmethemoney.com.au or by calling 03 8662 5333. Prices start from \$99 and are tax deductible.

Sustainability Consulting

Experienced VECCI Sustainability Consultants can show you how to achieve great outcomes for your business, your community and the environment, with expertise in:

- Sustainability strategy and policy development
- Environmental opportunity assessment
- Action planning and implementation
- Carbon footprint assessment.

VECCI consultants come to you, saving valuable time, and their assistance is tailored to your unique circumstances. Visit www.vecci.org.au/sustainability or call 03 8662 5480. Discounts apply for VECCI members.

Sustainability Training

Want to know more and learn from other businesses? In a new era of 'green choices', VECCI's dedicated training and briefings can help your business reduce its environmental footprint, save money, and give you a competitive advantage. Delivered throughout Victoria, prices start from just \$49.50.

The following programs are currently available:

Carbon Management 101: cutting through the carbon jargon. Who should attend? All small business representatives interested in climate change, carbon management practices as well as identifying opportunities for making environmental and financial savings.

Sustainability in Action workshop: hands on sustainability practices for SMEs. Who should attend? Small business representatives interested in tools and techniques that assist to track their resource use and realise financial savings.

Creative Thinking and Sustainability workshop: Your sustainable edge in changing times. This half-day workshop is packed with practical tips and hands on examples demonstrating the four cornerstones of creative thinking and uniting these with opportunities for sustainable business practice. Who should attend? All business representatives interested in smarter decision-making and sustainable business practices.

Green Office Briefing: simple steps to green your office. This two hour briefing is for SME's and larger businesses who wish to educate their staff regarding electricity consumption, paper use, waste disposal and purchasing practices in the office. This interactive briefing empowers staff to take immediate action in implementing green office practices.

To book, visit www.vecci.org.au/training or call VECCI on 03 8662 5333.

These fact sheets have been developed by VECCI Sustainability Services. Last updated July 2010.

www.vecci.org.au/sustainability

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VICTORIAN EMPLOYERS' CHAMBER OF COMMERCE AND INDUSTRY

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small business and climate change what affects you and what you can do



Transport

Drivers of change in small to medium transport businesses

- Increases in energy prices will increase the costs of petroleum-based fuels such as petrol and diesel, as will policies that put a price on carbon emissions
- Despite a recent drop in world oil prices due to the global financial crisis, prices are recovering and are expected to rebound strongly in the next few years
- Changes in the energy market are putting pressure on energy prices, and will also increase the costs of inputs that are energy-intensive to produce, presenting challenges and opportunities to SME transport businesses.

What you can do in your small business

- Review your exposure to increased prices and adjustment costs, and the exposure of your competitors
- Take proactive steps to increase fuel efficiency and provide details about your business's environmental credentials. This can address customer concerns and provide cost savings
- Upgrade to a newer more fuel efficient vehicle or change fuel type. This can improve fuel efficiency and reduce greenhouse gas emissions
- Practice more efficient driving habits and optimise trips and packing to save on fuel.

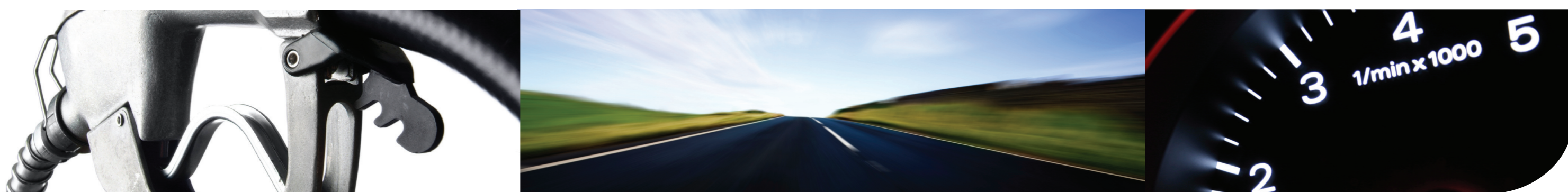
Fact sheets in this series

General climate change information:

- Drivers of change affecting small business
- Weathering climate change impacts
- Changing climates for large and small consumer markets.

Sector-specific climate change information:

- Accommodation
- Business and professional services
- Cafés and restaurants
- Manufacturing
- Retail and wholesale trade
- Tourism
- **Transport.**



A changing business environment

Small to medium enterprise (SME) transport businesses will be impacted by rising energy prices from changes to the energy market and climate change policies and changing consumer preferences, including those of business-to-business customers.

Adjusting to climate change policies and energy prices

The Australian emissions trading scheme has been delayed until at least 2012. However, energy price increases from the expanded renewable energy target and overseas fuel and climate change policies will have an impact on SME transport businesses.

The renewable energy target is driving changes in how we produce electricity and will, along with network investment to ensure supply reliability, put pressure on retail electricity prices.

Petroleum refining is energy and emissions-intensive, meaning that increases in energy prices will increase the costs of petroleum-based fuels such as petrol and diesel, as will policies that put a price on carbon emissions.

While Australia sources around 70 per cent of its refined petroleum products from domestic refineries, we are a net importer of crude oil and refined petroleum products and are exposed to world oil prices.¹ Despite a recent drop due to the global financial crisis, world oil prices are recovering and are expected to rebound strongly in the next few years.²

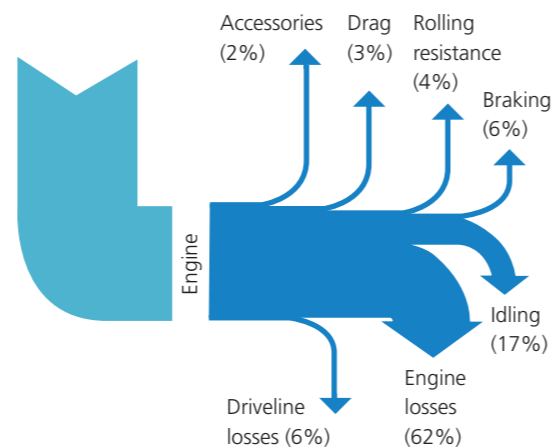
What you can do in your small business

No regrets on improving fuel efficiency

In all cases, we recommend identifying and implementing 'no regrets' actions. No regrets actions are those that will benefit you regardless of the impact of climate change policies. Improving the energy or fuel efficiency of your business is likely to provide long-term gains from reduced costs.

There are a number of ways in which energy is used (and lost) in vehicles.⁴

Vehicle energy use (and losses)



Improving vehicle and driver efficiency

Fuel efficiency improvements can be achieved by reducing energy losses in the operation of your vehicle.

The key areas for improving efficiency include:

- **Increasing engine efficiency** – When purchasing a new vehicle, design features to look for that increase efficiency include higher compression ratios, improved intake and exhaust manifolds, improved cylinder head and valve port design, use of two or more intake valves and two exhaust valves, electronic injection and engine management
- **Limiting engine speeds to reduce driveline losses** – Driveline losses can be minimised with transmission technologies such as shift indicator lights in manual vehicles and continuously variable transmission in automatic vehicles

- **Reducing vehicle weight, reducing drag and tyre rolling resistance** – The more a vehicle carries the more fuel it uses – an extra 50kg of weight can increase your fuel bill by around two per cent
- **Reducing energy consumption from accessories** – More efficient alternators, electric power steering and oil and water pumps can reduce energy consumption. Air conditioners also use extra fuel. However, at speeds of over 80 km/h, the use of air conditioning is better for fuel consumption than an open window (due to drag).⁵

Drive behaviour to save money and reduce your impacts

Driving styles can have a significant impact on fuel economy. Simple adjustments to the way you or your employees drive to reduce fuel use include:

- **Driving in high gear** – Most engines run most efficiently between around 1,500 and 2,500 rpm (lower in diesels). To maintain these low revs you should change up through the gears as soon as practical. Automatic transmissions shift up more quickly if you ease back slightly on the accelerator once the vehicle gathers momentum
- **Driving smoothly** – Keep a good distance from the vehicle in front and anticipate traffic flows to avoid fuel consumption from unnecessary braking and accelerating
- **Minimising idling** – Minimise fuel wasted in idling by stopping the engine whenever your vehicle is stopped or held up for an extended period of time
- **Limiting your speed** – Higher speeds increase fuel consumption.⁶

Concerns about environmental impacts generally become more important in customer decisions in relation to transport. Proactive steps to increase fuel efficiency and providing details about your business's environmental credentials may be helpful in alleviating these concerns.

Offset options for market differentiation and environmental outcomes

As a transport SME, a significant proportion of emissions created in your business operations will be unavoidable. In addition to reducing emissions through effective behaviour and technology changes, offsetting emissions can be an effective way of addressing environmental impacts.

Many travel and transport companies (such as airlines and hire-car companies) provide the option for customers to offset the greenhouse gas emissions associated with their travel by purchasing 'carbon offsets'. This can be done as part of a unilateral strategy toward offsetting your business's emissions, or by giving customers the option of paying an additional amount to offset the emissions associated with the service they are purchasing.

However, care needs to be taken when implementing an offset strategy or on-selling as part of a marketing strategy. The **Changing climates for large and small consumer markets Fact Sheet** provides further details about carbon neutrality, carbon offsets and your responsibilities.

Facts about fuels and efficiency

Older vehicles are typically less fuel efficient than new vehicles. Upgrading to a newer model can improve fuel efficiency and reduce greenhouse gas emissions.

Converting to LPG or petrol-ethanol blends can be a cheap and effective way to reduce fuel costs. A high ethanol blend (E85) requires vehicle conversion, while a low ethanol blend (E10) can usually be used in existing petrol vehicles.³

Ethanol blends and LPG have lower greenhouse emissions per litre of fuel consumed than petrol and diesel, and are also cheaper. However, LPG and ethanol blends also typically have lower energy content than petrol or diesel, meaning that equivalent cars will generally get less kilometres per litre from LPG and ethanol blends than for petrol or diesel.

Diesel as a fuel creates more greenhouse gas emissions per litre than petrol, but diesel engines (particularly newer ones) also tend to be more fuel-efficient than petrol engines. This can result in less emissions being produced overall. Diesel engines are most efficient when the engine is operating within a narrow range of speeds, and are best suited to highway driving.

Using hybrid vehicles can significantly reduce emissions. They provide the greatest benefits in stop/start conditions such as city driving, where use of the electric engine is maximised.

Leverage consumer preferences to your market advantage

Awareness and concern about climate change is increasing, and will impact people's decisions about what they buy. Consumers are interested in the environmental impacts of their purchases, and all steps of the production chain are being considered.

Transport emissions can play a key role in the environmental impact of a product, with a possible consumer response being to buy more locally produced products.



1 ABARE (2010), *Energy in Australia 2010*, Canberra, p.49 and p.51
 2 US Energy Information Administration (2010), *Short-Term Energy Outlook*, May available online at <http://www.eia.doe.gov/emeu/steo/pub/>
 3 McLennan Magasanik Associates (2008) *Australian Emissions Reduction Model –Transport Sector Functionality and Assumptions*, report to the Climate Change Institute, May 2008, p.17
 4 US Department of Energy, <http://www.fueleconomy.gov>
 5 Commonwealth Government Green Vehicle Guide, available at <http://www.greenvehicleguide.gov.au>; International Energy Agency (2005), *Making vehicles more fuel efficient – Technology for real improvements on the road*, France
 6 Commonwealth Government Green Vehicle Guide, available at <http://www.greenvehicleguide.gov.au>.