

SPEAKING NOTES

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Welcome

BCA–WBCSD Forum 2011
The Sustainability Challenge: Business Creativity in Practice
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Good morning everyone. For those of you who don't know me, I'm Jennifer Westacott, Chief Executive of the Business Council of Australia.

It is my pleasure to welcome you all to today's forum, 'The Sustainability Challenge: Business Creativity in Practice'.

The Business Council of Australia is honoured to be hosting the forum in partnership with the World Business Council for Sustainable Development and I'd like to begin by welcoming its President, Bjorn Stigson. Bjorn will be making some opening remarks shortly and will join me for what should be a very interesting panel discussion a little later in the morning.

The Business Council of Australia has been the regional network partner of the World Business Council for Sustainable Development since 1997 and, when Bjorn is in Australia, we would normally arrange for our members to meet with him to share information on developments in the sustainable development agenda, both here and overseas.

Can I acknowledge some of our CEO members who are here today and thank them for coming: Axel Kuhr (ABB Australia Pty Limited), Matthew Quinn (Stockland), Charlie Sartain (Xstrata Copper) and Kim Williams (FOXTEL Management Pty Limited). I'd also like to welcome Narelle Hooper from AFR *Boss* Magazine.

It's terrific to have so many of our BCA member companies represented here because it's been some time since we held a forum on this topic.

We felt the timing was right for business to reclaim the sustainability agenda. And we chose the theme, The Sustainability Challenge: Business Creativity in Practice, because it reflects the reality that business is the natural home of this agenda in Australia.

Before I hand over to our speakers let me make a few introductory remarks to set the scene for today.

The sustainability agenda is a vital agenda for all Australian businesses. I do not know of an Australian business that does not take this very seriously and sees it as a critical issue of leadership, risk management and cost effectiveness.

This agenda is vital for our economic growth and population growth. In many respects the sustainability agenda is an inevitability of population and economic growth. The competition for resources simply means that we must use resources more efficiently.

However, the first critical introductory point is that the sustainability agenda and the economic growth agenda should not be in competition with each other. If we are to have a sustainable future we must have strong economic growth. In turn, if we are to have a strong economy in the long term, we must have sustainable and resource efficient growth.

I am yet to go to a country where economic circumstances are very poor and find a structured sustained commitment to sustainability in government or private sector institutions.

Without growth we cannot invest in the innovation, in the technology and in the education that is vital to drive a more sustainable future.

Stifling growth is not a path to a sustainable future.

My second point is that business is already leading here. Indeed the sustainability agenda is the natural home of business and it should never have been captured as part of some extreme political or ideological agenda.

Business is leading because:

- It believes in a leadership role.
- It makes good business sense. It's a simple economic reality that if something like fuel, water, electricity is a large part of your input costs you will do everything to reduce these costs.
- It's a magnet for investors and high-quality staff.
- Business reflects the aspirations and values of the broader community.
- It's fundamental to the social licence to operate, and business has the capacity, resources and capital to drive innovation.

You are going to hear about some of these leadership case studies today.

Some of the examples of this leadership amongst our members include:

- Qantas, Boeing, Virgin: all BCA members, all part of an enormous effort to move to biofuels and introducing major improvements in fuel efficiency.
- BlueScope Steel is engaged in projects to recycle and reuse waste water.

- Since 1990 Alcoa has reduced its direct greenhouse gas emissions by 40 per cent.
- Woolworths has embarked on a comprehensive sustainability agenda and sustainable food sourcing agenda.
- OneSteel Whyalla reduced its Murray River water consumption by about 700 million litres over the past two years through water reduction projects.
- Business has been leading the way on engagement with Indigenous communities to create employment opportunities.
- And today we will hear from BCA members Adelaide Brighton, BHP Billiton, Commonwealth Bank, Stockland, Transfield and Wesfarmers about initiatives that are making a difference in communities, for the environment and for their businesses.

My final point is that what business needs is a positive and constructive environment to drive innovation and sustainability. That environment is about lowering costs, reducing regulatory burdens and rewarding innovation.

The current debate in Australia about climate change is not one conducive to innovation and creativity. It has, in my view, confused the sustainability and resource efficiency discussion.

It fails to recognise the achievements business has made and in the BCA's view, the Clean Energy package fails to create a policy response that supports the right investment environment for business or the lowest possible cost to business.

Indeed in our view the package, unless it includes the safeguards proposed by the BCA and others, presents considerable risks to our competitiveness.

Instead, the climate change debate seeks to paint big business as the culprits. The big polluters. The big polluters polluting our atmosphere as if the atmosphere isn't shared by the millions of Australians who work for big business.

So today is about restating that leadership position. It's about taking the sensible ground back in this debate and identifying what we need to drive a strong economy, a better way of life and the efficient use of our resources.

We have a high-calibre group assembled this morning, including a number of CEOs, and some of Australia's leading practitioners in the sustainability field.

Our speakers will provide insights and examples, and there will be plenty of time for questions and discussion.

Running through the program now very quickly:

Bjorn Stigson and Matthew Quinn, who is the Managing Director of Stockland, will set the scene by talking about recent developments.

After morning tea, we'll have two panel sessions to consider the practical implications for Australian companies and showcase some of the trailblazers among our member companies.

And I am delighted that Professor Peter Shergold has accepted our invitation to come and speak over lunch. Peter is a former Secretary of the Department of the Prime Minister and Cabinet, now the Chief Executive of the Centre for Social Impact at the University of New South Wales.

We have asked Peter to give us his perspective on the future of corporate social responsibility and the continued relevance of the triple bottom line.

So, first up, it is my pleasure to introduce Bjorn Stigson, the President of the World Business Council for Sustainable Development which is based in Geneva. I'm sure Bjorn will speak about the role of the council but very briefly, it is a CEO-led, global coalition of some 200 companies advocating for progress on sustainable development. Its mission is to be a catalyst for innovation and sustainable growth in a world where resources are increasingly limited.

The World Business Council for Sustainable Development provides a platform for companies to share experiences and best practices in sustainable development. Its membership spans more than 35 countries and represents 20 major industrial sectors. Their collective annual revenues exceed US\$7 trillion.

As well as being the president of this important network, Bjorn is a Professor of the School of Business, Economics and Law at the University of Gothenburg and an Honorary Doctor at the Malardalen University in Sweden.

He has worked for several Swedish multinational companies and has also been an advisor to governments, in particular in China, the US and Germany.

Bjorn will be speaking to us this morning on global sustainability developments and the current priorities of the World Business Council for Sustainable Development.

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