



BUSINESS TREADING LIGHTLY

**SCG Submission to
Minister for Climate Change and the Environment**

The Hon Frank Sartor MP

Friday 16 July 2010

INTRODUCTION

The Southern Councils Group (SCG) is the peak organisation representing Local Government in the Illawarra and South Coast regions. Member Councils include Bega Valley Shire, Eurobodalla Shire, Kiama Municipal, Shellharbour City, Shoalhaven City, Wingecarribee Shire and Wollongong City Councils.

The opportunity to discuss with the Office of the Minister for Climate Change and the Environment, the Hon Frank Sartor MP, the position of our member Councils in regard to the highly successful Business Treading Lightly Program (BTL) is most appreciated.

ISSUE

- **Business Treading Lightly** is a highly successful business sustainability coaching and facilitation service operating in the Southern Councils Group region (see **Additional Background** below for key results);
- Funded by State Government, the project is currently due to terminate December 2010;
- While strongly backed by Southern Councils Group, even a partial funding contribution from Local Government is not possible under current funding pressures and inadequate Waste Levy hypothecation;
- SCG has requested Minister for the Illawarra, Paul McLeay MP, to seek improved waste hypothecation to provide Local Government with the resources to support projects like BTL, or investigate the potential for BTL to be partly funded by direct injection. Funding contributions are also being sought from peak industry groups and RDAs;
- A 50% funding contribution from State government would enable the program to retain the project team while BTL transitioned to a not-for-profit footing. It is envisioned that BTL would be operating without the need for ongoing, baseline government funding within 12 months of the end of the original grant – with funding coming from a mixture of corporate sponsorship and fee-for-service arrangements;
- Such a contribution would be in the order of \$300,000 (for remaining 6 months of FY10/11), followed by \$300,000 (FY 11/12).
- With falling staff numbers, the current grant arrangements may need to be extended to allow full expenditure to occur, and transitioning may become more viable.

LEVERAGING THE GRANT-FUNDED INVESTMENT

- Grant funding has allowed Southern Councils Group to attract a highly skilled and experienced project team. BTL is fully staffed. BTL comprises a team of 6 sustainability coaches/advisors servicing the entire region, with:
 - **2 years of business coaching experience**, a diverse and valuable skill-set requiring excellent people skills, coaching, training, innovation and some understanding of technical efficiency solutions;

- **Training** – including 4 NABERS trainee assessors (National Australian Built Environment Rating System);
 - **Intellectual property** – coaching tools, techniques and resources for engaging small business;
 - **Productive partnerships** – the BTL brand is now known and trusted. Seen as professional, independent and trusted sustainability advisor – backed by Government, but able to move at business speed. Local radio and television broadcasters are extremely supportive – willing and able to broadcast sustainability best practice stories.
- First cohort of businesses now becoming advocates and class leaders.

OPPORTUNITIES

- **Future growth assured:** demand is now organic, and potential to replicate and extend the model elsewhere;
- **Link to residential energy efficiency and sustainability programs:** engaged staff able to take sustainability principles home. Potential for a “BTL Home-Sustainability Challenge”;
- **Improving regional resilience:** increasing energy and waste costs offset through efficiency gains;
- **Overcoming barriers to innovation:** BTL delivers on several recommendations of the NSW Regional Innovation Strategy:
 - Delivering business training;
 - Delivering knowledge sharing through the development of networks;
 - Promoting transfer of external knowledge by sponsoring experts to share knowledge with local businesses via seminars, workshops, small group sessions and site visits.
- **Growing realisation and culture-change** in key industry sectors that sustainability makes business sense, via reducing costs, improving market positioning, improving staff engagement and improving the business’ relationship with the community;
- BTL’s approach has proved to be a ‘force multiplier’ for existing programs – ‘follow through’ and facilitation gets recruits, creates momentum, speeds implementation and gets results.

FUNDING

- BTL’s baseline funding is around \$800K per year;
- BTL has been responsibly managed and runs with minimum overheads;
- In FY09/10, staff costs (salaries, super, insurances) and vehicles accounted for 75% of expenses. Marketing and recognition initiatives accounted for 7.5%, delivering 9 business cluster forums 5.5%, while administration (rent, IT, telecommunications, utilities, supplies) accounted for just 6.4%.

RISKS

Project staff (6 business advisors, marketing officer (P/T), office administrator (P/T) and program manager) are seeking or already accepting new career options.

ADDITIONAL BACKGROUND

- BTL is a NSW Environmental Trust-funded project;
- \$2m over 3.5 years was granted to improve commercial energy and water efficiency (retrofit and behaviour change), reduce waste to landfill, increase staff engagement and understanding of sustainability;
- To date, close to 200 businesses have been engaged, ranging from Australia's largest aged care provider, malls, 60% of region's club sector, smaller tourism-based businesses;
- Significant energy and water savings achieved;
- Significant business investment in energy and water efficiency materials and services.

Key Statistics

- 190 businesses/facilities engaged, comprising:
 - 90%+ regional aged care sector
 - 50%+ club sector
 - other high profile businesses – malls, law firms, manufacturers, tourism sector
- Combined employee base of 10,000
- 75%+ with prioritised Action Plan
- Regional “firsts” – applicability:
 - Heat reflective roof paint installations
 - Waste partnerships and organic (food waste) trials
 - Hard data on benefits of behavioural change initiatives
 - Innovative commercial cooling technologies
 - Reduced fertiliser and water use practices
- Businesses moving from participants, to action, to being advocates
- Businesses talking to staff, customers, suppliers about their sustainability plan and journey.

Business Perspectives

- *“The benefits of the Club operating sustainably are so apparent it is encouraging me to take a proactive approach in my own household,”*
Leanne Vaughn, Assistant Manager Oak Flats Bowling & Rec Club.
- *“BTL is our go to guy, and that really works for us: we are learning a lot from them”*
Justin Ryan—Facility Manager, Dapto Mall
- *“You’ve got to be kidding me”*
CEO of a Wollongong Business—finding out how much energy his facility consumed at night

- *“It is now financially viable to be environmentally friendly. We need to take control and put initiatives in place to reduce our rising costs”*
Craig Madsen—General Manager, Mittagong RSL
- *“I’m impressed with our BTL involvement. We’re collectively sharing experiences with others and creating a consciousness in the club to do more to bring tangible, financial benefits. It’s good for the community, good for staff & good for business”*
Noel Robertson – General Manager, Pambula-Merimbula Golf Club
- *“BTL helps us ensure that we work toward production that is sustainable from paddock to plate.”*
Paul Timbs – Berry Co-op Chair.
- *“At the Village Centre we are committed to doing what we can to reduce our environmental footprint. It is our environmental and social responsibility to do what we can to address climate change.”*
Village Centre Manager - Kristyne Van Shieeven
- *“This will help us to dramatically reduce our greenhouse emissions and our power bills! It is part of a bigger project to reduce our environmental footprint and set a better example to the community”.*
Batemans Bay Soldiers Club CEO Gary White

SUMMARY OF ITEMS OF CONCERN

- The NSW Environment Trust is a well regarded instrument for delivering opportunities for new approaches to be trialed. It fails in its purpose however if such trial approaches are not evaluated for potential for “mainstreaming”. Currently, evaluations are based solely on whether the outcomes of the original grant application were fulfilled.
- A grant extension and rapid approval of such from the Environment Trust may be necessary.
- DECCW has secured a regional delivery model with the Hunter regional office and the Hunter ROC/or Newcastle City Council. The details of funding, partners, and costs per business engaged, have not been forthcoming. Such a model is urgently needed in the Illawarra.

RECOMMENDATIONS

- There is an enormous opportunity to leverage the success of this program to other regions across NSW and indeed further afield. The success of BTL is that it has taken a business development approach to embedding sustainability principles into the normal daily activity of SMEs, not a “Greenwash” approach. Ongoing support for this approach would ensure business resilience for the region as it emerges from the impacts of the GFC and faces rising energy water and waste costs.