

EPA Board Summit 2021

Summary Report



The Environment Protection Authority (EPA) Board hosts a summit in line with section 19 of the *Environment Protection Act 1993*. The purpose of these forums is to assist the Board and the Minister to assess the views of interested community, business and environmental groups on matters relating to the *Environment Protection Act 1993*. The summits are also a valuable opportunity to gain feedback from stakeholders on emerging and strategic issues facing South Australia's environment and its management.

Overview

This report summarises the proceedings of the 2021 EPA Board Summit, *Climate Change: Risks, Liabilities and Remedies*, targeting small to medium enterprises (SMEs). It was held on 21 April 2021, co-hosted with the Premier's Climate Change Council and designed in collaboration with the Australian Industry Group (AiGroup).

The Premier's Climate Change Council is the key advisory body to the state government on all matters relating to climate change and has an important role to engage with business and community about climate change issues. AiGroup is a peak national employer organisation representing traditional, innovative and emerging industry sectors and is a member of the Australian Climate Roundtable.

For the first time, the EPA Board Summit went online. Over 2,000 invitations were sent to:

- all holders of environmental authorisations under the *Environment Protection Act 1993*.
- SMEs via AiGroup and the Department of Trade and Investment's Industry Capability Network SA newsletter
- EPA staff and other interested government representatives.

Why a climate change theme

The South Australian Government recently released the *South Australian Government Climate Change Action Plan 2021–2025* which has a focus on how government can support South Australia to adapt and develop a climate smart economy. In the plan, the EPA committed to work with its licensees to understand climate change risk and liabilities, and help them adopt risk management strategies.

With this in mind, and acknowledging much interest in the topic of climate change in the South Australian community, the EPA Board was keen to host a climate change themed summit. It provided opportunity to bring leaders and experts together to share their knowledge and experiences around climate change risks, and raise awareness of risks and opportunities for SMEs. The summit was targeted towards SMEs in acknowledgment that many environmental authorisations issued by the EPA are held by these businesses.

Program

Kaurna representative Isaac Hannam from Kuma Kaaru delivered an engaging Welcome to Country. EPA Board Presiding Member Catherine Cooper and Chair of the Premier's Climate Change Council Martin Haese, opened the event. EPA Board Member Chris Stathy OAM performed the role of Master of Ceremonies.

Presentations were delivered by speakers from Minter Ellison, AiGroup, Department for Environment and Water (DEW), AGL and City of Adelaide across two sessions. The agenda is provided in Attachment 1 with a summary provided below. The presentations are provided in Attachments 2 and 3 with recordings made available at <https://www.epa.sa.gov.au>.

Topics covered included the financial, economic, transitional and physical risks that business should consider, along with practical information on data, tools and opportunities.

A transcript of the Q&A session that was not recorded, is provided in Attachment 4.

The Minister for Environment and Water provided a recorded address, and the EPA *Good for Environment, Good for Business Volume 6*, was launched.

Responses to polling from attendees during the event and in the post event survey (Attachment 5) included:

- Businesses are already being affected by extreme weather events.
- Businesses have some level of understanding of likely climate change impacts.
- Physical and financial risks are those considered most likely to impact on businesses.
- There is already action being taken by some businesses to become more resilient to climate change, or a likelihood that action will be taken.
- Need to acknowledge that it is a bigger risk than COVID-19
- Suggestions for tools or support included:
 - promote need for net zero to community
 - sharing success and examples of good practice
 - tools to connect with similar businesses/ sectors
 - templates such as spreadsheets, mitigation templates, maps of risky locations
 - subsidies/financial incentives to promote less packaging
 - financial incentives to recycle water.

Summary of proceedings

Opening remarks

Catherine Cooper, EPA Board Presiding Member

Ms Cooper provided an overview of the event, gave thanks to event organisers and acknowledged that the EPA Board Summit is just the beginning of a conversation on how the EPA can assist our communities and licensees better with adapting to a changing climate.

Martin Haese, Chair of the Premier's Climate Change Council

Mr Haese acknowledged that with demand for climate change solutions forecast to present a multi-trillion-dollar opportunity over the next two decades, the transition to a low carbon and climate resilient future is shaping up to be the economic opportunity of our time. He stated that one of the key challenges for SMEs is having the capacity to understand the particular risk to their enterprise, and to take the steps to adapt to the changes.

Adapting to the physical climate changes was said to involve a number of strategies such as:

- undertaking business continuity planning, accounting for likely increases in extreme weather and events
- shifting or adapting critical infrastructure in hazard zones
- enabling flexible working arrangements
- diversifying customer base and products.

Both urban and regional South Australia are particularly well placed to capitalise on the opportunities thanks to our competitive advantages in renewable energy, innovation, skilled workforce and infrastructure.

He noted that the design of the summit is to assist businesses to gain an initial understanding of where and how to start thinking about addressing climate change related challenges and opportunities.

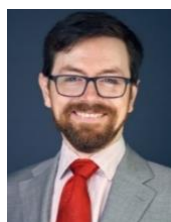
Session 1: Climate Risk, Liabilities and Data



Sarah Barker, Minter Ellison | *Climate change as a financial liability risk and opportunities for small to medium businesses*

Sarah Barker is a Partner and Head of Climate Risk Governance at Minter Ellison. She provided the keynote address around reframing what climate change means for business.

She presented on the global context of climate change and gave an overview of what is climate change, and why it is a material financial risk and opportunity for business. She also provided some key tips for small to medium businesses who may be at the start of their risk management journey – climate change is a material and accelerating financial risk, past experience is not representative of future risk, think like big business and understand the strategic environment. A copy of the presentation is provided in Attachment 2.



Tennant Reed, AiGroup | *Climate risk and what it means for businesses*

Tennant Reed advises on energy and climate policy for AiGroup.

He acknowledged that businesses are increasingly being asked a range of questions around climate change such as impact, transition, trade and demand. His presentation focused on the challenges and opportunities for business.

A spotlight was placed on challenges around insurance and considerations around water and he also spoke about mitigation opportunities (both current and future) for businesses. He noted that businesses should also consider if it will be affected by the policy decisions of other countries to move to net zero emission goals. A copy of the presentation is provided in Attachment 2.



Dr Graham Green, DEW | *Show me the data!*

Dr Graham Green is the Principal Advisor Climate Change for the Department for Environment and Water.

His presentation focused on what the data around climate change means for South Australia. He spoke about temperature, spring rainfall, sea level risk and bushfire hazards, and how these are projected to change across different regions in South Australia.

He also spoke about what this might mean for businesses, and where businesses can find information and data about climate change, including downscaled climate projections for regions of South Australia. A copy of the presentation is provided in Attachment 2.

Session 1 Q&A

Martin Haese put the following questions to Sarah Barker, Tennant Reed and Dr Graham Green:

- What do you say to South Australian SME business owners in many industries when they say “I’m just too busy. I’m running my business and when you talk to me about climate change, it just sounds expensive, complex and difficult. Where do I start”?
- What would your advice be to a business owner to address the complexity, understand the risk, and get on with the job
- What is an ESG policy, and what does it mean to the SME sector? Because I sense that corporate Australia might be a few steps ahead.
- What are the top three things a SME business owner could contemplate doing?
- How can the Climate Change Science Plan and the Climate Change Projections (recently developed by the South Australian Department for Environment and Water), assist SMEs in their strategic planning?
- What role does consumer demand play in helping business owners adapt their strategies?

Key points:

- There is evidence that now is the time to act and increase business resilience.
- Look forward to what your industry is potentially going to look like in the future.
- Talk to your bank about what they perceive the risks to be for your industry, and what they would like to see from businesses.
- Talk to your big business partners, both up and down the supply chain. They may have access to the expertise, or be able provide information about where they are heading and what they may expect from businesses.
- ESG refers to Environmental Social and Governance issues. In the climate space, it is an expectation that businesses will need to keep performing their economic function and adapt to be part of, and help build a net zero emissions economy.
- Implementation of the Science and Knowledge Plan for South Australia Plan will provide more mapping information which businesses can then use to understand how their risk is changing; to look at their location, the location of their assets, their operations; and to see what the specific changes are that they might experience.
- The SA climate change projections are on a decadal timescale and are useful for longer-term business planning.
- Consumer demand plays a big role. SMEs with big business customers (the supermarkets for instance) are increasingly making big commitments of their own because of the consumer-facing role they have, and driving change in their supply chains.

A full transcript is provided in Attachment 4.

Session 2: Adaptation in Action



Elizabeth Molyneux, AGL | Case Study 1

Elizabeth Molyneux spoke about how AGL is responding to the physical risks from climate change. Her presentation centred on what AGL is trying to do to mitigate its effect on climate change,

and what AGL has had to change in its day-to-day operations to adapt to a changing climate.

Key points:

- Customers are demanding more carbon neutral products.
- A risk framework approach shows that the electricity sector is intrinsically linked to potential impacts from climate change.
- Policies and procedures have been reviewed in light of hot days, and heat stress management
- The ground level at Barker Inlet Power station had to be raised to account for tidal and sea level risks.
- Long-term assets must consider access to water over long periods.

A copy of the presentation is provided in Attachment 3.



Michelle English, City of Adelaide | Case Study 2

Michelle discussed climate change as a real material risk for the City Of Adelaide and presented a risk assessment approach undertaken. She spoke on how the risk assessment has

informed, and will continue to inform the council's strategic planning.

Key points:

- A rigorous, and disciplined approach to risk management will create a defensible process and inform ongoing management of risks.
- Adequately resource risk assessment.
- Engagement and communications are key.

A copy of the presentation is provided in Attachment 3.

Session 2 Q&A

Martin Haese put a number of questions to Elizabeth Molyneux and Michelle English:

- Where should a small business start when getting its enterprise or employees on the journey?
- How much is consumer behaviour driving AGL and how is AGL helping customers with transition?
- Should small to medium business have a pathway to carbon neutrality and what does it mean for them?
- How important is collaboration among business owners?
- How will hydrogen support Australia?

Key points:

- Start to think about the physical location of your business and what impact temperature, sea level rise, increased flooding and less rainfall might mean for the various aspects of your business. Also think about these physical impacts on your supply chain.
- Customer interest is high. AGL is providing products that prompt customers to think about climate change and make informed choices.
- the City of Adelaide supports businesses to become carbon neutral. Position yourself where possible for a future market. Attitudes are changing rapidly.
- Consensus that collaboration is important.
- Hydrogen will be the future. AGL is participating in pilot projects in Victoria to decarbonise the gas sector.

Minister's address



The Honourable David Speirs MP provided a pre-recorded address that was shared at the event. It is available for viewing: <https://youtu.be/BGTg0CqXTww>.

The Minister acknowledged South Australia's leadership in recognising the opportunities associated with climate change adaptation; and in the development of the South Australian Government's *Climate Change Action Plan 2021–2025*, which will be instrumental in driving action to address climate change.

Closing remarks



The EPA Board Summit was closed by Tony Circelli, Chief Executive of the EPA who:

- acknowledged that this was just the start of a conversation with our licensees around climate change
- stated that the EPA has commenced an adaptive management project to identify licensees that are more at risk from extreme weather events, and will prioritise and work with those licensees to make sure that the environmental risks of each operation are appropriately managed. Targeted engagement will commence with relevant licensees in the coming 12 months.
- asked attendees to connect with the EPA if particular sector or theme-based workshops on adapting to climate change will be useful.
- launched the *EPA Good for Environment, Good for Business Volume 6*, available on www.epa.sa.gov.au

The video is available for viewing: <https://vimeo.com/577026347>

Attachments

- 1 [Agenda – EPA 2021 Board Summit](#)
- 2 [PDF presentations – Session 1](#)
- 3 [PDF presentations – Session 2](#)
- 4 [Q&A transcript – Session 1](#)
- 5 [Polling results and questions](#)