



Adopting the sustainable development goals is a business opportunity for Australia

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It has been 25 years since Australia last experienced a recession. We've had an extraordinary period of uninterrupted economic growth – the longest in modern history – and this has greatly increased our prosperity.

Thanks to the abundance of natural resources needed to build roads, railways and skyscrapers in fast-growing cities across Asia, Australia's economy has had a good run over the past quarter century.

But an expanding list of environmental, health and social burdens risk undermining our growth model. Business as usual is not an option. The UN Sustainable Development Goals (SDGs), launched in 2015, are 17 goals for ending poverty, transforming health and education, improving our cities and communities, addressing gender equity and tackling urgent challenges such as climate change. Collectively, they propose a new development pathway, based on partnership between governments, civil society and business that could transform our societies.

Take our cities, for example. Cities are the economic powerhouses of our country, especially since the end of the mining boom (our capital cities alone generate around two-thirds of our GDP). Cities matter more than ever to our future employment and prosperity, but our urban quality of life is deteriorating. We spend on average 85 minutes a day commuting, up from 50 minutes half a century ago. Congestion already costs our capital cities \$16.5bn annually, and that could double by 2030. The affordability of housing nationwide has more than halved since 1980,

locking many out of the Australian dream.

Our urban lifestyles have become a growing burden on our health, too. A rising set of noncommunicable diseases, such as obesity, are posing massive challenges for the health system. In 2015, almost two in three Australian adults were overweight or obese.

The labour force is changing dramatically. A report completed by AlphaBeta for the Foundation for Young Australians found that 70% of young people currently enter the workforce in jobs that will be radically affected by automation and imports over the next 10 to 15 years.

And youth unemployment and underemployment is at historic highs: the latest data shows that 16.4% of 20- to 24-year-olds are underemployed or unemployed. This is a staggering 31.7% for 15 to 19-year-olds. What is their future?

The Business and Sustainable Development Commission, through research conducted by AlphaBeta, shows that the implementation of the SDGs in four major global systems – food and agriculture, cities, energy and materials, and health and wellbeing – could generate tremendous business opportunities. Worldwide the SDGs could unlock US\$12tn in business savings and revenues by 2030 through 60 high-potential opportunities for the private sector.

Here in Australia, many of those opportunities are substantial. A big push on the provision of affordable housing could be worth an extra \$8bn in revenue annually. A faster rollout of renewable energy could be especially valuable in Australia, creating more than \$9bn worth of economic opportunities by 2030. Wider usage of remote monitoring technologies in healthcare could generate savings worth a staggering \$11bn a year by 2030. Yet very few of our largest companies have begun viewing sustainability and the SDGs as a set of opportunities, rather than a cost or drag on growth.

The opportunities for Australian businesses in sustainability aren't just here at home. The challenges we face – energy, transport, housing, healthcare, climate resilience – are the same issues faced by our faster-growing neighbours in Asia, and the

demand for new growth models there is even more profound.

Australian companies have invaluable experience to offer businesses in Asia. In infrastructure, we have led the evolution of the modern public-private partnership over the last two decades, and learned many valuable lessons along the way. Our engineering and construction companies are widely recognised for their skill and efficiency.

Plain and simple, the SDGs are a business opportunity, and it will take a different kind of leadership to unleash it. The companies that will thrive will be those that seek to unlock the sustainability agenda and actively use it to drive their business efficiencies and opportunities. Those businesses which adapt, those which are the early adopters, will be leading our future economic prosperity.

No single company or sector can go it alone; partnerships will be critical. The Australian Council for International Development is leading the way in generating innovative private-sector partnerships that Australian companies can certainly amplify, while the Business and Sustainable Development Commission's flagship report Better Business, Better World, demonstrates the economic prize for those companies that align themselves with the SDGs.

Businesses will have to work with sector peers, as well as government and civil society, to create an enabling environment as well as ensure transparency and accountability. Sustainability must become the new source of success for our economy.