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How universities can help industry solve climate change problems

DAVID GRANT

By **DAVID GRANT**
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Universities have much to offer industry as it responds to the immense challenges of climate change. But their contribution must include cross-disciplinary expertise and innovative partnerships with government and business.

Business school expertise is going to be vital if such collaborations are to flourish. The Australian climate action agenda will likely see some business schools, my own included, partnering with industry in ways, and at levels, hitherto unseen in Australia.

Both parties will of necessity, fall into each other's arms. Industry will turn to business schools where it requires urgent action on something beyond its present capacity and capability. At the same time, business schools will be under pressure to respond effectively to industry needs and to demonstrate relevance and impact.

Recognising this, the 39 members of The Australian Business Deans Council – the peak body of university business schools in Australia – recently committed to progressing an agenda of research and education on climate action.

The need for business schools to apply their expertise is rapidly intensifying. Already, the federal government has acted on its electoral mandate to rapidly reduce carbon emissions and achieve net zero by 2050, if not before.

Through the UN Framework Convention on Climate Change the international community, including Australia, is prosecuting a range of measures. These include investment in renewables and

new regulatory, compliance and reporting requirements that aim to reduce greenhouse gas emissions and limit global warming.

Business schools have the knowledge and innovative thinking to contribute strongly to these areas.

But the climate change challenges for business, and for that matter government, go far beyond building a thriving new economy through innovative solutions and technology to mitigate emissions. No matter how well we do in terms of mitigation there will be significant global warming and industry, like everyone else, will need to learn to live with its effects.

Government and business recognise the challenges and the significant economic, social and governance risks attached to climate change.

These risks – manifest in changing weather patterns and extreme weather events – are seen as having the potential to derail current business models across all sectors of the economy and require immediate, medium and longer-term changes in business operations. They will also necessitate wide-ranging policy reform, innovation and shifts in planning across all levels of government.

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As Australian Industry Group CEO and Australian Climate Roundtable member, Innes Willox has said: "What do we have to endure? And what are we trying to avoid? The evidence is deeply concerning. Huge climate costs face Australian businesses and the communities, infrastructure and workers which they sustain and rely on."

In short, he points to the need for climate change adaptation of an unprecedented scale and type.

In working to meet the challenges of climate change mitigation and adaptation, business schools will not be able to go it alone. Their partnerships with industry will be innovative; not simply by their scale or intensity, but also by the cross-disciplinary work needed to respond to what is a complex, multifaceted and wicked problem.

This cross-disciplinary approach will involve climate science being used to formulate information and data that can better inform industry risk management frameworks, improve strategy and planning across the social, economic and environmental domains, and properly satisfy disclosure requirements.

Industries recognise that, by and large, they lack the in-house capability or capacity to do this. Only universities have the requisite breadth of expertise and have it at scale. And if they want leverage it, then their business schools are going to be an important part of the equation.

Two criticisms are sometimes levelled at business schools, often unfairly. One is that they do not engage sufficiently with industry. The other is that they tend to operate in a silo, detached from other areas of the universities in which they are located. Going forward they will be called upon to play a critically important role in respect of Australia's climate action agenda. In doing, so they have an opportunity to put both criticisms to bed.

David Grant is professor of management and project lead, climate risk and response, at UNSW Business School. He is also immediate past president of the Australian Business Deans Council.

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