

VECCI's business sustainability products and services for small businesses

Compass

Carbon Compass, an exciting initiative from Carbon Down, is a web based community of businesses and organisations sharing their sustainability and carbon reducing knowledge, experience and practical solutions.

Visit www.carboncompass.com.au or call 03 8662 5490 to register your business.

Grow Me The Money

A 12-step program, Grow Me The Money will take your business through strategies to reduce your carbon footprint, save money and report credibly on your savings to customers, staff and the community. Grow Me The Money participants save on average \$7019, across all three utilities, and deliver over 60 tonnes of carbon abatement (from a sample of 288 business participants).

Join Grow Me The Money today at www.growmethemoney.com.au or by calling 03 8662 5333. Prices start from \$99 and are tax deductible.

Sustainability Consulting

Experienced VECCI Sustainability Consultants can show you how to achieve great outcomes for your business, your community and the environment, with expertise in:

- Sustainability strategy and policy development
- Environmental opportunity assessment
- Action planning and implementation
- Carbon footprint assessment.

VECCI consultants come to you, saving valuable time, and their assistance is tailored to your unique circumstances. Visit www.vecci.org.au/sustainability or call 03 8662 5480. Discounts apply for VECCI members.

Sustainability Training

Want to know more and learn from other businesses? In a new era of 'green choices', VECCI's dedicated training and briefings can help your business reduce its environmental footprint, save money, and give you a competitive advantage. Delivered throughout Victoria, prices start from just \$49.50.

The following programs are currently available:

Carbon Management 101: cutting through the carbon jargon. Who should attend? All small business representatives interested in climate change, carbon management practices as well as identifying opportunities for making environmental and financial savings.

Sustainability in Action workshop: hands on sustainability practices for SMEs. Who should attend? Small business representatives interested in tools and techniques that assist to track their resource use and realise financial savings.

Creative Thinking and Sustainability workshop: Your sustainable edge in changing times. This half-day workshop is packed with practical tips and hands on examples demonstrating the four cornerstones of creative thinking and uniting these with opportunities for sustainable business practice. Who should attend? All business representatives interested in smarter decision-making and sustainable business practices.

Green Office Briefing: simple steps to green your office. This two hour briefing is for SME's and larger businesses who wish to educate their staff regarding electricity consumption, paper use, waste disposal and purchasing practices in the office. This interactive briefing empowers staff to take immediate action in implementing green office practices.

To book, visit www.vecci.org.au/training or call VECCI on 03 8662 5333.



small business and climate change what affects you and what you can do

Retail and wholesale trade

Drivers of change in small to medium retail and wholesale businesses

- Changes in the energy market are putting pressure on energy prices, and will also increase the costs of inputs that are energy-intensive to produce
- Retailers and wholesalers of food and agricultural products will also be affected by increased water prices and water scarcity
- Customers (including business-to-business customers) are increasingly interested in the environmental impact of their purchases. This means all steps of the production chain are being considered including retail and wholesale businesses.

What you can do in your small business

- Review your exposure to increased prices and adjustment costs, and that of your competitors
- Take action to reduce costs by reducing your energy and water use and waste generation:
 - Opportunities for energy efficiency are highest in heating and air conditioning systems, lighting and refrigeration
 - Reduce your waste by recycling and reducing packaging or using sustainable alternatives.
- Take advantage of new business opportunities by:
 - Offering environmentally sustainable and energy efficient products
 - Providing information on the environmental impact or carbon footprint of your business and products.



Fact sheets in this series

General climate change information:

- Drivers of change affecting small business
- Weathering climate change impacts
- Changing climates for large and small consumer markets.

Sector-specific climate change information:

- Accommodation
- Business and professional services
- Cafés and restaurants
- Manufacturing
- Retail and wholesale trade
- Tourism
- Transport.



VICTORIAN EMPLOYERS' CHAMBER OF COMMERCE AND INDUSTRY

IR ADVICE

TRAINING

NETWORKING EVENTS

TOOLS & TEMPLATES

ADVOCACY & REPRESENTATION



A changing business environment

Small to medium enterprises (SMEs) in the retail and wholesale trade sector will be impacted by rising energy prices from changes to the energy market climate change policies and changing consumer preferences. The physical effects of climate change will also have some flow-on effects, in particular through increasing water prices.

The key areas of retail and wholesale trade that will be impacted include:

- Food and agricultural producers and suppliers
- Household goods and domestic appliances
- Machinery and equipment, motor vehicle and motor vehicle parts
- Basic materials, including building supplies, minerals, metals and chemicals
- Textiles, clothing and footwear.

Impacts on SME café and restaurant businesses is closely linked to retail and wholesale trade. Specific impacts on café's and restaurants are addressed in the café's and restaurants fact sheet in this series.

Adjusting to climate change policies and rising energy prices

The Australian emissions trading scheme has been delayed until at least 2012. Despite this delay, action to reduce emissions remains high on the policy agenda for Governments and a range of supporting policies are being implemented.

Energy market changes

The renewable energy target is driving changes in how we produce electricity, leading to greater investment renewable technologies like wind.

Regardless of the emissions trading delay, ongoing changes to the energy market will increase energy prices and present challenges and opportunities to SMEs in the wholesale and retail trade sectors.

Increased energy prices will have a direct impact your energy bill, and also indirect impacts through increases in the costs of energy-intensive inputs such as paper, plastics and other packaging materials, aluminium and other metals, and the transport of stock.

Climate change, water, energy and the food industry – what you need to know

Agricultural production requires a significant amount of energy – in the form of direct use for running machinery and indirectly through energy-intensive production inputs. The price effects of changes to energy markets – particularly increased fuel, energy and fertiliser costs – will increase production costs for the agricultural sector.

The physical effects of climate change will also have impacts on the agricultural sector. Lower levels of rainfall, water allocations, water security issues and infrastructure investment – like desalination plants, water pipeline investments and 'drought-proofing' initiatives – will increase water prices and production costs and affect costs of production for agricultural producers and food manufacturers.

These impacts are likely to lead to increased costs of production for the agricultural sector and put pressure on domestic supplies of food and beverages, pressuring wholesale distributors and retailers of food and agricultural products.

Certain appliances are also required to carry approved Energy Rating or Water Efficiency Labelling and Standards (WELS) labels.¹ The labelling programs will be streamlined to provide national consistency, increase the stringency of standards and include gas products.

What you can do in your small business

No regrets to improve energy efficiency

In all cases, we recommend identifying and implementing 'no regrets' actions. No regrets actions are those that will benefit you regardless of the impact of climate change policies. For example, improving the energy, materials or resource efficiency of your business is likely to provide long-term gains from reduced costs.

The majority of energy use for retail and wholesale trade businesses is likely to be related to:

- Heating, ventilation, cooling and air conditioning systems
- Lighting
- Refrigeration
- Fuel for vehicles (distribution).

Some simple actions that can be taken to reduce your energy use include:

- Maximising the use of natural ventilation to reduce air conditioning
- Optimising the operation of your existing heating, ventilation, cooling and air conditioning system or installing a more efficient system
- Investing in movement sensors or timer switches to reduce unnecessary lighting use, and installing energy efficient lighting
- Ensuring refrigerator door seals are effective and installing automatic door closers in walk-in coolers.
- Installing variable speed pump drives. This can significantly reduce energy use for refrigeration systems that are not always required to operate at full capacity.²

No regrets to reduce waste

In addition to creating land-fill, solid waste releases greenhouse gas emissions as it decomposes. Reducing your waste can be an effective way to minimise costs, and also an effective marketing strategy in terms of increasing your credentials as an environmentally sustainable business.

Your waste stream will vary significantly depending on what line of trade you operate in. However, there are some generic activities that can be taken to reduce waste and waste disposal costs:

- Separate and recycle as much of your waste as possible. Composting can be an effective way to deal with organic waste
- Work with your suppliers (and customers) to explore opportunities for using re-usable, biodegradable or recyclable packaging.

Changing consumer preferences

Climate change and changing consumer preferences present challenges and opportunities for SME retail and wholesale trade businesses. Increasing energy costs and a greater public focus on environmental issues are likely to drive consumer preferences towards more sustainable and energy efficient products.

Customers are increasingly interested in the environmental impact of their purchases, meaning not only are retailers impacted, but all steps of the production chain are being considered. As a retail and wholesale trade business, you can assist customers (and customers' customers) to reduce the environmental impact of their purchasing decisions.

Actions that can be taken to take advantage of new business opportunities include:

- Undertaking an analysis of your supply chain and investigating lower-emissions alternatives to current product offerings
- Improving your environmental and sustainability credentials via sourcing locally produced goods to reduce transport costs and emissions, and replacing plastic bags or packaging with re-usable, biodegradable or recyclable materials
- Asking suppliers to provide information on their environmental footprint
- Developing a strategy and marketing your credentials and achievements by providing customers with information about the greenhouse gas emissions and environmental impact of your products.

Adapting to climate change – identifying risks to your small business

The physical effects of climate change will be diverse. It is important that your investment decisions take potential impacts to your business from climate change into account.

Retailers and wholesalers of food and agricultural products will be impacted the most. More hot days and reduced rainfall may:

- Increase the need for and pressure on refrigeration systems (including those in distribution vehicles)
- Increase prices for food
- Reduce the availability of some agricultural produce.

¹ See www.energyrating.gov.au for energy rating labelling information and www.waterrating.gov.au for water rating labelling information

² Sustainability Victoria, Energy Efficiency Best Practice Guide – Industrial Refrigeration, p.11, available at www.resourcesmart.vic.gov.au/documents/BP_RefrigManual_FA.pdf