

NOVEMBER 2024

NEXT

VALUING NATURE

UNDERNEATH LONELINESS

OFFSHORE WIND

WHAT DO YOU DO WHEN A
SAFETY EMERGENCY OCCURS?

INSIDE DEXUS'S
SUSTAINABILITY JOURNEY



Tidal Marks 1 by Marilyn Wallace-Mitchell

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BUSINESS. PURPOSE. FUTURE.

KING&WOOD
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F O R E W O R D

Welcome to NEXT, a forward-looking exploration of the issues, trends and dynamics shaping commerce, leadership, and the workplace. In this issue you will find a guide to some of the emerging issues businesses are thinking deeply about, as well as a call for collaboration between businesses, government and the third sector to respond with vision, resilience, and empathy.

Sustainability continues to evolve beyond compliance and green initiatives, shifting toward integrated strategies to shape how companies operate, learn, and grow. By weaving sustainability into the culture and decision-making of an organisation, we can deliver a more resilient and adaptive business environment.

Social sustainability is also on the agenda, with community and business leaders acknowledging the impact of loneliness in our communities and workplaces. We address the emotional and psychological dimensions of this issue, offering insights based on our experience for how leaders can foster deeper connections, build inclusive communities, and create supportive spaces where people can thrive, both personally and professionally.

In times of uncertainty, how businesses and individuals respond in emergencies can define their success and longevity. From global pandemics to natural disasters, the need for rapid, coordinated, and compassionate responses has never been more critical. We explore best practices for emergency preparedness, crisis management, and the importance of cultivating a culture of responsiveness that extends beyond the boardroom.

Finally, this issue unpacks the growing importance of nature positivity—the shift from simply reducing harm to actively contributing to the restoration and regeneration of ecosystems. Businesses that look to embrace nature positivity can strengthen their own operations and contribute to a broader movement that will contribute to a sustainable future. This approach represents a new frontier, where nature and business are seen as interdependent partners in long-term success.

NEXT challenges us to look beyond the immediate pressures of the present and envision a future where sustainability, human connection, resilience, and nature positivity are at the heart of business strategy. As we peer over the horizon, the choices we make today will determine the business landscape of tomorrow. Let this issue serve as a catalyst for embracing our future with purpose and optimism.



DAN CREASEY
DIRECTOR OF RESPONSIBLE BUSINESS



CLEMENTINE JOHNSON
HEAD OF SOCIAL IMPACT & SHARED VALUE

VALUING NATURE

THE SCIENCE IS CLEAR: NATURE AND CLIMATE CHANGE ARE INEXTRICABLY LINKED.

Like hands on a clock, incremental changes add up – and the clock has been ticking while the world has focused on limiting global warming to less than 1.5 degrees Celsius.

However, unlike time which marches only forward, the science also shows that by addressing changes in one that amplify the other, it is possible to turn back the spiral of climate change and natural decline.

Growing awareness of this possibility is seeing nature risk – and the Nature Positive movement - emerge as the next big thing in environmental thinking.

With its growing momentum comes a new question: How can we reverse the decline of nature and protect and enhance biodiversity going forward?

“THESE ISSUES ARE INTERLINKED. WITHOUT PROTECTING AND RESTORING OUR ECOSYSTEMS, WE HAVE NO CHANCE OF ACHIEVING THE PARIS GOALS, GETTING TO THE 1.5°C TARGET OR BUFFERING THE IMPACTS OF AN ALREADY DISRUPTED CLIMATE ”

Mirey Atallah,
Head of United Nations Environment Program (UNEP)

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THE GLOBAL PUSH FOR 'NATURE POSITIVE'

To date, efforts to tackle climate change have outpaced those regarding nature and biodiversity loss.

This is shortsighted, considering the world's reliance on nature cannot be understated, with the World Economic Forum revealing in its New Nature Economy publication released in January 2020 that over half of global GDP is estimated to be moderately or highly dependent on nature.

This is also beginning to change, as the global shift towards protecting and investing in nature continues to increase.

- Since January 2021, 119 countries (including Australia) have joined the High Ambition Coalition for Nature and People and formally supported the protection of at least 30% of the world's land and waters by 2030 (**30x30 target**).
- In December 2022, representatives from 188 governments (including Australia) attended the 15th meeting of the Conference of Parties to the United Nations Convention on Biological Diversity. The 'Kunming-Montreal Global Biodiversity Framework' (**GBF**) was passed, providing 4 longer term goals and 23 shorter term targets aimed at halting and reversing nature loss (including a 30x30 target).

- Sustainability-related financial disclosure obligations are expanding beyond climate and into nature, with the Taskforce on Climate-related Financial Disclosures (**TCFD**) now disbanded and the Taskforce on Nature-related Financial Disclosures (**TNFD**) driving voluntary nature reporting through the release of its final framework. In the same way that voluntary climate reporting is shifting towards mandatory climate reporting (e.g. in Australia through the passing of the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024* (Cth) on 9 September 2024), as support for the TNFD framework grows, voluntary nature reporting is likely to become mandatory in time.
- According to the UNEP's State of Finance for Nature Report published on 1 December 2022, approximately \$200 billion was invested in nature-based solutions in 2022, but this needs to increase to \$384 billion by 2025 to halt biodiversity loss and limit global warming to below 1.5°C.
- Australia hosted the Global Nature Positive Summit in Sydney from 8-10 October 2024, bringing together various government, indigenous, research, environmental and business leaders to drive a greater understanding of the threats to nature and people, the urgent need to protect the world's stock of natural capital, to explore options to invest in nature and collective actions to reverse the decline.

NEED TO KNOW CONCEPTS:

Climate - climate change-related transition and physical risks and opportunities, tends to relate primarily to carbon emissions.

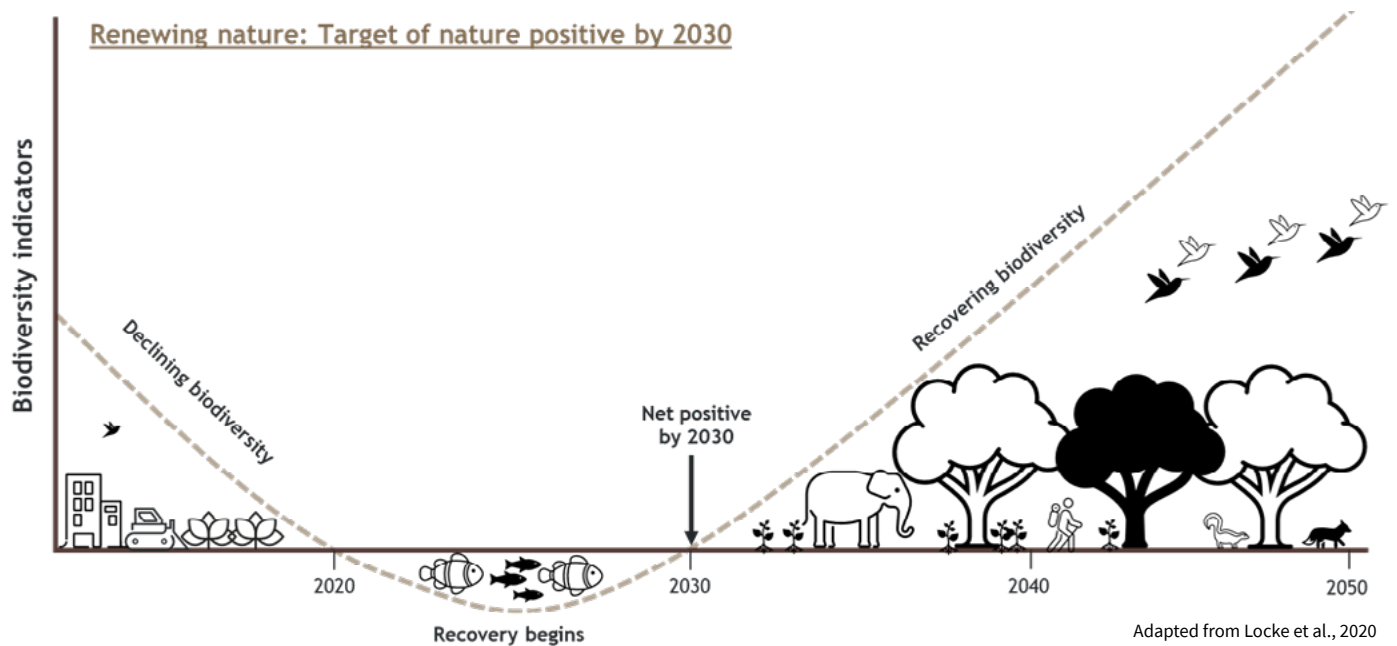
Nature - a much broader concept that consists of four realms: land, ocean, freshwater and atmosphere.

Nature Positive - an improvement in the diversity, abundance, resilience and integrity of ecosystems from a baseline.

Biodiversity - the variety of all life forms on earth - the different plants, animals and micro-organisms and the ecosystems of which they are a part.

Nature-based Solutions - actions to protect, sustainably manage and restore natural or modified ecosystems, that address societal challenges effectively and adaptively, simultaneously benefitting people and nature.

Natural Capital - the collective stock of renewable and non-renewable natural resources, such as plants, animals, air, water, soils, and minerals.



EXAMPLES OF WHAT'S HAPPENING ON THE WORLD STAGE

The United Kingdom has introduced a 10% Biodiversity Net Gain requirement (over 30 years) for all new developments requiring planning permission to ensure developments result in more, or better quality, natural habitat than what existed before the development.

The European Union (EU) has adopted the Corporate Sustainability Due Diligence Directive (known as the CS3D), which requires in-scope companies (both EU and non-EU based) to identify, assess, mitigate and remediate actual or potential adverse human rights and environmental impacts throughout a company's entire value chain.

Australia has released its Nature Positive Plan, which serves as the blueprint for significant Federal environmental law reform aimed at better protecting and restoring nature and helping Australia meet its 30x30 target. Australia has also established a world-first voluntary Nature Repair Market.

These reforms under the Nature Positive Plan are currently being delivered in stages as discussed further below.

SPOTLIGHT ON AUSTRALIA

As one of only 17 countries classified as “mega diverse”, Australia will play a critical role in achieving global nature-related goals. The push towards a nature-positive Australia is being driven by a plethora of public and private forces.

International nature-related goals agreed to by Australia’s Federal Government, a stronger focus on compliance and enforcement by regulators, a push for mandatory climate and nature reporting and government-based reviews into the state of nature continue to guide legislative change.

In 2020, Australia’s key piece of Federal environmental legislation (the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (**EPBC Act**)) was independently reviewed by Professor Graeme Samuel AC. This review found that the EPBC Act was not adequate to protect Australia’s declining environment and recommended a complete overhaul of Federal environmental legislation, with a key theme for the reforms: a focus on nature.

The Federal Government’s Nature Positive Plan released in December 2022 sets an ambitious agenda for EPBC Act reform that is now to be delivered in stages.

- **Stage 1** occurred in December 2023 with the passing of the *Nature Repair Act 2023* (Cth) and *Nature Repair (Consequential Amendments) Act 2023* (Cth). This legislation created the framework for a ‘world-first’ voluntary Nature Repair Market, under which ‘biodiversity certificates’ can be issued (and subsequently traded) for ‘biodiversity projects’ which enhance or protect nature. The Nature Repair Market is designed to operate alongside Australia’s existing carbon market, such that one project could be capable of generating a biodiversity certificate under the Nature Repair Market and Australian carbon credit units (**ACCUs**) under the carbon market. The Federal Government has recently carried out a range of consultation on operational aspects of the Nature Repair Market prior to its intended launch in 2025.

“SEEING NATURE-RELATED ISSUES APPEAR IN LEGISLATION, BOARDROOMS, MEDIA, AMONGST STAKEHOLDERS AND THE COURTS SERVES AS A CLEAR INDICATION THAT AS NATURE-RELATED RISK AND OPPORTUNITIES GROW, SO TOO WILL THEIR IMPORTANCE.”

Matthew Austin,
KWM Partner

“AUSTRALIA’S NATURAL ENVIRONMENT AND ICONIC PLACES ARE IN AN OVERALL STATE OF DECLINE AND ARE UNDER INCREASING THREAT. THE ENVIRONMENT IS NOT SUFFICIENTLY RESILIENT TO WITHSTAND CURRENT, EMERGING OR FUTURE THREATS, INCLUDING CLIMATE CHANGE. THE ENVIRONMENTAL TRAJECTORY IS CURRENTLY UNSUSTAINABLE.”

Professor Graeme Samuel AC

- **Stage 2** is currently occurring, with 3 bills currently before Federal Parliament (namely the Nature Positive (Environment Protection Australia) Bill 2024 (Cth), the Nature Positive (Environment Information Australia) Bill 2024 (Cth) and the Nature Positive (Environment Law Amendments and Transitional Provisions) Bill 2024 (Cth) (**Nature Positive Bills**)). The Nature Positive Bills seek to establish an independent data and information body known as Environment Information Australia and an independent compliance and enforcement body known as Environment Protection Australia. They also seek to provide Australia’s first legislative definition of ‘nature positivity’, being “an improvement in the diversity, abundance, resilience and integrity of ecosystems from a baseline”.

On 9 September 2024, the Senate Environment and Communications Legislation Committee published its report recommending the passing of the Nature Positive Bills, subject to 5 recommendations (including that the Federal Government undertake further consultation regarding the definition of ‘nature positive’ to ensure it is consistent with Australia’s international commitments such as the GBF).

The Nature Positive Bills have not yet passed. Given the Federal Government does not hold a majority of seats in the Senate, and the Coalition, Australian Greens and two independent senators have heavily opposed the Nature Positive Bills in their current form, their passage through Parliament hinges on the Federal Government striking a deal with its opponents. While a potential deal was in the works with the Australian Greens to include a ‘climate trigger’ as part of the reforms, this was ruled out by Prime Minister Albanese in mid-September 2024. It remains to be seen what deal will be struck to get the Nature Positive Bills over the line, and whether this may involve a softer approach to climate considerations if not a formal ‘climate trigger’.

- **Stage 3** has been deferred while further consultation occurs. The reforms proposed as part of Stage 3 are the most significant and include, for example, legally binding National Environment Standards requiring projects to be ‘nature positive’, a new approach to offsets which will likely require offsets to deliver an [X]% biodiversity gain relative to a baseline, and far more comprehensive conservation and threatened species planning and recovery frameworks. It is unclear if Stage 3 reform legislation will be introduced before the next Federal election (by May 2025), but the final form of the Stage 3 reforms will heavily shape what ‘nature positivity’ really looks like in Australia moving forward.

As we wait to see how these reforms navigate through Federal Parliament, additional forces in the private sector are driving companies to shift their focus from climate to nature now. For example, both in Australia and abroad, we are seeing:

- Shareholders voting against climate and sustainability plans where the plans don’t adequately consider nature-related impacts.
- Stakeholders calling on companies, directors, and regulators to consider and address nature-related impacts throughout an organisation’s supply chain, under threat of litigation.
- Investors creating new financial instruments to fund nature-based solutions and technology as demand for responsible investment increases.
- Companies beginning to investigate and invest in nature-based solutions and use the array of available government funding to do so.

“THE TAX ASPECTS OF NATURE POSITIVE EXPENDITURE CANNOT BE IGNORED. THIS INCLUDES HOW BIODIVERSITY CERTIFICATES UNDER THE NATURE REPAIR MARKET SHOULD BE ACCOUNTED FOR FROM A TAX PERSPECTIVE, AS WELL AS THE TAX DEDUCTION PROFILE FOR INVESTMENTS IN NATURE-RELATED PROJECTS.”

Jason Barnes,
KWM Special Counsel

REAPING REWARDS, REDUCING RISK

Climate change reforms have provided a helpful blueprint for the establishment of new standards relating to, and accounting for, nature. As reforms in the nature space continue to evolve, impacts on business will undoubtedly mirror the impacts of earlier climate change reforms, with similar risks and opportunities likely to arise.

Nature-related opportunities can be identified, and risks minimised, at an early stage by engaging in voluntary nature-reporting (e.g. utilising the TNFD framework). Implementing an internal framework for nature reporting may assist with the identification of nature-based solutions for new projects and throughout a company’s supply chain, in meeting shareholder expectations around nature and environmental protection issues and broader social licence concerns.

“WE EXPECT WITH MORE EXTENSIVE CORPORATE REPORTING, THERE WILL BE A GREATER AMOUNT OF DATA ABOUT THE CLIMATE AND NATURE RELATED RISKS AND SUPPLY CHAIN VULNERABILITIES OF REPORTING ENTITIES. THIS WILL INCREASINGLY BECOME AN IMPORTANT PART OF DUE DILIGENCE IN CORPORATE TRANSACTIONS, VALUING A BUSINESS, AND ACCESSING FINANCING FOR PROJECTS. MANAGING THE COLLECTION AND REPORTING OF THIS DATA WILL ALSO BE AN INCREASING GOVERNANCE CHALLENGE.”

Tim Bednall,
KWM Partner

Fulsome and accurate climate and nature reporting is no longer a ‘nice to have’ - environmental disclosures are becoming determining factors for access to benefits such as market access, favourable interest rates, lower insurance premium costs and mortgage eligibility. An increasing number of government incentives are available for nature-based research and project development and investors are creating a variety of new mechanisms to fund nature-based solutions and tap into novel nature-based markets (e.g. nature funds and credit schemes). As funding in the nature space increases, expect a greater emphasis on the need for verifiable environmental information.

“WITH INCREASED REPORTING OBLIGATIONS AND INTEREST FROM CUSTOMERS, INVESTORS AND OTHER STAKEHOLDERS, DATA MANAGEMENT AND THE IMPORTANCE OF TECHNOLOGY TO TRACK NATURE CANNOT BE UNDERSTATED. WHILST ACCESS TO RELIABLE DATA WILL CREATE OPPORTUNITIES FOR COMPANIES TO HIGHLIGHT WHAT THEY DO WELL, IT ALSO COMES WITH INCREASED CYBERSECURITY RISKS, BARRIERS TO MARKET ENTRY AND COSTS ASSOCIATED WITH TECHNOLOGICAL UPGRADES.”

Scott Bouvier,
KWM Partner

With the growing appetite for nature-based markets and projects, be prepared to see a raft of new nature-based contract clauses relating to environmental liability and disclosures. Sensitive project designs may drive new opportunities for proponents, who may reap the rewards from both nature repair and carbon markets, take advantage of potential streamlined Federal environmental approval processes and ensure a positive brand reputation and stakeholder sentiment. Projects that fail to embrace nature positive approaches to designs, may face greater regulatory hurdles in securing project approvals, increased stakeholder scrutiny and potential litigation.

“AUSTRALIA ALREADY SEES THE SECOND HIGHEST NUMBER OF CLIMATE-CHANGE RELATED CASES IN THE WORLD. AS DEMAND FOR NATURE-RELATED INFORMATION AND REPORTING INCREASES, THERE’S LITTLE DOUBT THAT A NEW WAVE OF NATURE-RELATED LITIGATION WILL FOLLOW.”

Claire Rogers,
KWM Partner, Head of ESG

As momentum builds around nature reforms, the importance of biodiversity, nature repair and environmental stewardship is only set to grow. Legislative reforms and other driving forces will not just affect businesses with direct impacts on the environment, but every business practice throughout a supply chain.

So, how do you ensure your business reaps the rewards and reduces the risks associated with the new push for nature positivity?

1. Watch for nature reforms and trends coming through (not just in your own jurisdiction, but on a global stage).
2. Consider the impacts, risks, and opportunities to your business practices.
3. Get in touch with us to seek advice as soon as possible.

UNDERNEATH LONELINESS

AT WORK AND IN OUR COMMUNITIES

THIS ARTICLE DISCUSSES THE IMPACTS OF LONELINESS AND EXTREME SOCIAL ISOLATION.

People experiencing homelessness are vulnerable to loneliness and extreme social isolation, often aggravated by mental health diagnoses, addiction or both. I see this first hand as a Director at Wayside Chapel in Sydney - an organisation which helps people confronting these issues, and a community partner of KWM.

Wayside exists to provide essential services and support, unconditional care and compassion and an invaluable safe place to talk and connect with community – all without judgment. Creating spaces where vulnerable people can connect and feel supported both in terms of their physical but also emotional needs is crucial—whether in community settings like Wayside or in everyday workplaces.

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I see the value of that safety daily in my work as an employment lawyer, helping clients safeguard the psychosocial wellbeing of their workforces by fostering safety and connection among their people. This is true for KWM and all employers – recognising that loneliness is not just a personal struggle but a material issue affecting their people and the ecosystem in which they operate. For law and other professional services organisations where the people are the product, the stakes are high: loneliness can undermine employee well being, productivity, and retention. Nurturing connection and ensuring wellbeing have become increasingly important for employers to attract and retain talent. The intersection of issues people face today - particularly following the post COVID-19 shift in how we live and work - is significant.

Many businesses are aware of the complexity of issues people face - loneliness, increased stress levels, decreased downtime to disconnect, busy minds due to social media use and constantly being “on”. Happily, many firms and businesses are taking steps to address them. This includes building awareness, offering targeted support services, and collaborating with community organisations like the Wayside Chapel to gain insights and develop more impactful responses for the benefit of their people and communities. Together, businesses and community groups are forging a path forward to combat loneliness by creating inclusive environments where the impact of loneliness is genuinely understood and supports are established so everyone feels both valued and better supported.

HOW DID WE GET HERE?

Loneliness has emerged as one of the most pressing yet overlooked challenges of our time. Often described as the “silent epidemic,” loneliness transcends age, gender, and socioeconomic status, infiltrating every corner of society. Its effects are profound - poor mental and physical health, increased psychological distress, reduced productivity, and a diminished quality of life. Yet despite its prevalence, loneliness remains largely misunderstood and stigmatised, with many hiding their struggles.

This article delves into the complex landscape of loneliness in Australia and the steps community organisations and businesses are taking to connect with their people and tackle loneliness. As the ways we live and work continue to evolve, fostering genuine connection has never been more critical. Tackling loneliness requires not only awareness but also concerted efforts from both community leaders and employers to create environments where people feel seen, heard, and valued.

Loneliness affects different people and groups in different ways. From young people navigating transitions in life, to First Nations communities grappling with disruptions to social and cultural connections, the impact of loneliness is far-reaching. HeadSpace, Australia’s National Youth Mental Health Foundation, calls out the rise in young women experiencing loneliness. They say this is linked to the impact of the COVID-19 pandemic, the transition from study to work, social media and lack of connection to communities as part of the cause of loneliness in young women.

For First Nations people, disruption to family and kinship connections is a contributor to loneliness and feelings of disconnection and social isolation for many. The government’s Institute of Health and Welfare identifies social and emotional wellbeing as the foundation of physical and mental health for First Nations people. Importantly, this recognises its holistic nature - encompassing the importance of connection to land, culture, spirituality, and ancestry, and how these affect the wellbeing of the individual and the community (Gee et al. 2014).

There is hope. Positively, the research points to engagement in paid work, community activities, caring for others and participation in clubs and sporting groups as examples of effective buffers against loneliness.

HOW IS KWM APPROACHING THE CHALLENGE?

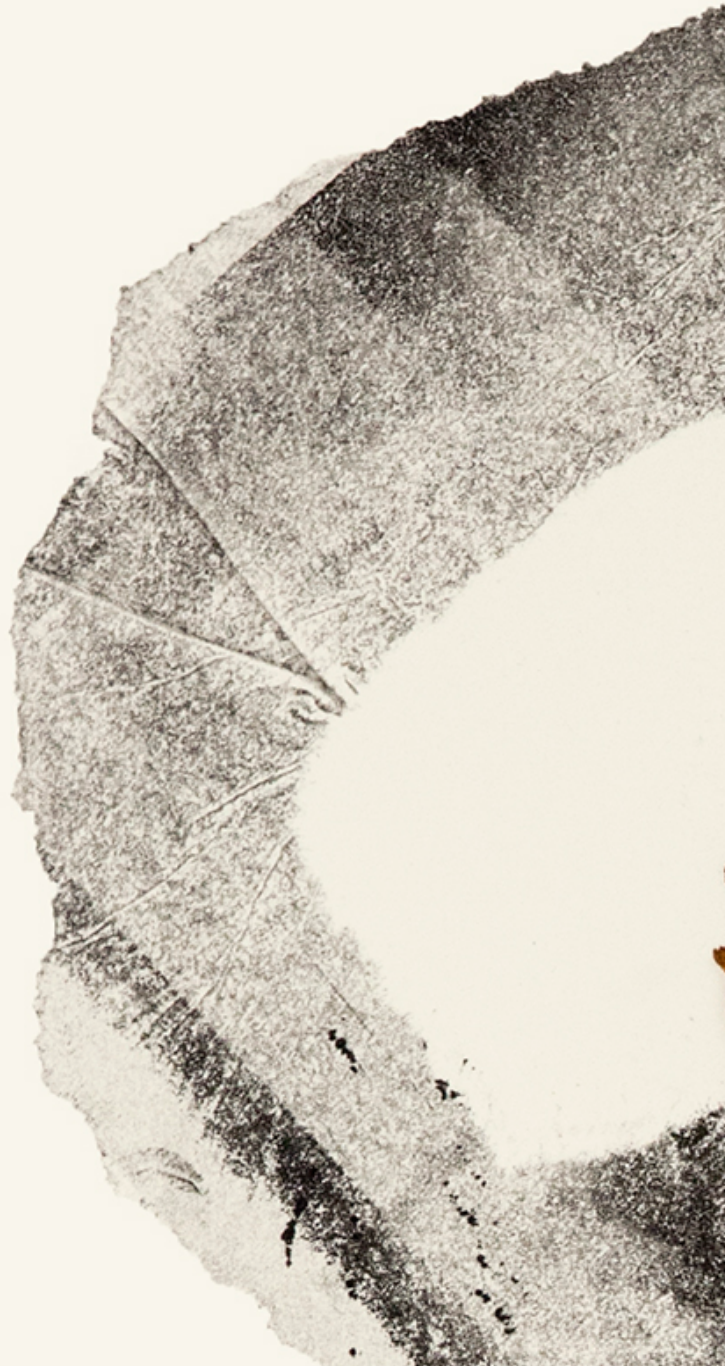
Measuring the impact of connection initiatives can be complex, but we know it is worthwhile - because sense of connection helps us to build more meaningful relationships, supports our wellbeing and is a powerful driver of employee engagement. When we listened to what our people had to say, we learned that our people were not feeling as connected to one another as they did before the pandemic. We learned that we were not alone and that this is a common challenge across organisations.

As a first step, KWM focused on a campaign of education and awareness, initially through 'Stronger Together 24,' a transformative two-week program designed to bring people together both in-person and online. The program encouraged participants to explore new approaches to leadership, working styles, and connection with clients and colleagues. It looked at neuroscience and the chemical effects of connection on our brain and bodies, how to use better quality questions to create connection and digital communication etiquette to enhance connections developed online. Building on Stronger Together 24, KWM continues to prioritise shared learning and opportunities for our people to build connections, through a variety of programs.

We have several leadership programs that span all levels and roles within our firm that give our people the opportunity to learn and connect. We invest in our people networks - employee-led groups focused on building inclusion and belonging. These groups strengthen connections through education and storytelling. Our client programs also prioritise connection by providing practical tools to manage relationships as well as deepening our knowledge of our clients. Probably the most important aspect of what we do is keep seeking and listening to feedback from our people - none of this is 'set and forget' - we must constantly keep evaluating what is working and what is not. Alleviating loneliness through genuine human connection requires a cultural shift post-pandemic, grounded in intentionality, respect and presence.

A shared imperative

The [Ending Loneliness Report](#) urges Australians to break the silence around loneliness and make it a part of everyday conversations. At KWM, we're taking on this challenge by weaving discussions about loneliness and its wide-ranging impacts into our policies and workplace culture. Loneliness is a daily reality for many, including many within our own firm, and it has only been intensified by the changing nature of how we live and work, particularly in our increasingly digital lives. Addressing this issue goes beyond surface-level initiatives; it requires a profound commitment to fostering genuine connections and creating environments where people feel truly supported. It's about understanding that combating loneliness is not just a personal journey but a collective responsibility—one that demands the highest quality services, thoughtful policies, and unwavering support from businesses and communities alike. By joining forces, we can build stronger, more connected workplaces and communities where stigma is reduced, and people are comfortable to talk about their experience and reduce the prevalence and impact of loneliness.



OFFSHORE WIND



OFFSHORE WIND-
POWERED ELECTRICITY
GENERATION
OFFERS EFFICIENT
AND UNOBTRUSIVE
RENEWABLE
ENERGY, CAPABLE
OF DELIVERING
SCALE WITHOUT THE
LAND USE DEBATES
CHARACTERISTIC
OF THE ONSHORE
INDUSTRY.

The technology is already providing clean energy in Europe. With Australia's abundant coastline, it has the potential to be a major contributor to this country's energy transition as well.

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Of course, there are challenges – technical, logistical, environmental, and social – that offshore wind projects must overcome. To discuss those, King & Wood Mallesons Energy and Infrastructure Partner Rod Smythe was joined by Katie Choi is Asia-Pacific head of legal at Corio generation and Marcus Dixon from renewable strategy and financing specialists Green Giraffe advisory.

Below is an edited transcript of that conversation, which you can listen to in full via KWM's Apple and Spotify Podcast channels.

Download the podcast here



Rod Smythe

Hello, I'm Rod Smythe, a partner at King and Wood Mallesons and I'm passionate about the potential for offshore wind as a part of Australia's energy transition.

Firstly, what are we talking about with offshore wind?

Katie Choi

Thanks, Rod. Offshore wind is a game changer. By capturing wind energy at sea, we benefit from high wind speed and more consistent wind, leading to higher efficiency and value. Offshore wind is expected to increase exponentially as it meets decarbonization targets and is key to achieving net zero by 2050.

Marcus Dixon

When we talk about fixed bottom offshore wind platforms, they are physically attached to the sea through a pile or jacket foundation. Floating platforms are anchored to the seabed through mooring lines or cables. Most global projects have been fixed bottom, but floating foundations are necessary for deeper waters, like those off New South Wales.

Rod Smythe

If any of our listeners want to see how big an offshore wind turbine is, watch a YouTube video of a boat installing a fixed bottom turbine. It's an amazing engineering exercise. Australia is just starting its offshore wind journey, while European and Asian markets are 10 years ahead. Marcus, why have state and federal governments in Australia decided to pursue offshore wind?

Marcus Dixon

Australia is transitioning its energy outlook with significant coal retirement and the need for electrification. The 2024 ISP (integrated system plan) forecasts grid-scale renewables need to increase six times by 2050 to meet net zero targets. Australia has the fundamentals: wind speeds, suitable seabeds, and proximity to high energy users.

Katie Choi

Globally, we have 75 gigawatts of offshore wind capacity installed, but we need 380 gigawatts by 2030 and 2000 gigawatts by 2050. We have a lot of catching up to do.

Rod Smythe

The Australian government has granted feasibility licenses for zones in Gippsland and the Hunter. These projects will take years to go from conception to operation. Katie, can you unpack what's involved in taking these projects from the starting line to reality?

Katie Choi

Offshore wind development is complex, capital-intensive, and long-term. Using Corio's Great Eastern offshore wind project as an example, we are in year three of a seven-year development process. This includes site selection, project approval, engineering, stakeholder engagement, and procurement.

Even after development, construction takes another three to four years. Successful markets need to provide policy support across all areas, including approvals, market pathways, supply chain development, skills and training, and enabling infrastructure like grid connections.

You need to invest in skills and training to grow the workforce to support the offshore wind industry. And to add to that, I think very importantly, you need to develop the enabling infrastructure, such as important grid I cannot emphasize how important that is really, because when you look at the other offshore wind projects elsewhere, delays to grid infrastructure is one of the most common causes of delay to offshore wind projects and deployments globally.

Rod Smythe

We're talking billions and billions of dollars here. Marcus what do proponents need to access the debt financing and equity investment to make these projects stack up?

Marcus Dixon

Ballpark figures, two to 300 million to get through to your point of construction. And the capex spending could be anywhere between 10 and 12 billion if you're doing a one and a half to two gig watt project. So we're talking significant capital. The key aspects are procurement and offtake - turbine choice, is going to have a huge bearing both for debt and equity. For offtake, we need to have long term support to unlock long term capital. I think there's going to be significant education of the local market on how it's been done overseas - not trying to change things, but bringing in key lessons from international markets, around how you bring in longer-dated capital. So export credit agencies, in addition to attracting the E (CEFC) or (Clean Energy Finance Corporation) capital to provide longer dated debt and ultimately de-risking the projects.

The industry in Australia has come a long way in a short time. Investment in infrastructure supporting offshore wind, like ports and transmission, is critical. Political support and long-term targets are essential to attract investment and develop the supply chain.

Rod Smythe

Social license considerations are key in any development. Marcus, how can social license be best addressed in Australia?

Marcus Dixon

Social license is crucial. Offshore wind projects need political will to navigate challenges and ensure positive community engagement. The closest turbine off Gippsland is 12 to 15 kilometres offshore, and in New South Wales, it's 20 to 30 kilometres offshore. This distance helps mitigate visual impact.

Katie Choi

Offshore wind projects undergo stringent approval processes, including assessments of marine environment impact, visual impact, underwater noise, and seabird collisions. Open and transparent engagement with the community is essential.

Rod Smythe

What does the future look like for offshore wind in Australia?

Katie Choi

Demand for offshore wind will increase dramatically. Asia-Pacific is likely to maintain its leading position in offshore wind installations for the next 10 years. The global offshore wind market will continue to grow, attracting long-term investors.

Marcus Dixon

In five to seven years, we might see operational offshore wind projects in Australia. In 10 years, Australia could have projects that rival the largest global projects. There's a lot of work to be done, but the potential is huge.

Rod Smythe

Thank you, Katie and Marcus, for a fascinating conversation.

For more energy transition insights, search 'KWM future energy' to check out the King and Wood Mallesons' future energy page and please reach out with thoughts or questions. We'd love to hear your views!

WHAT DO YOU DO WHEN A SAFETY EMERGENCY OCCURS?

A SUDDEN AND
UNEXPECTED EVENT
CAN LEAD TO A WORK
RELATED EMERGENCY
AT ANY TIME.

Safety emergencies can come in all shapes and sizes – an explosion, a fire, a mechanical failure, a transport accident, a spill and the list goes on. There can be a risk to life, property and/or the environment. Unfortunately, incidents like this require an immediate response.

The moments after a workplace or safety incident are likely to be among the most stressful any of us will ever face. ‘What happened? Is anyone hurt? What do I do now?’ The need to immediately make consequential decisions, in emotional circumstances and with often limited information is extraordinarily difficult.

Over the years we have worked in this area, many of the clients we have helped navigate these challenges have reflected on how helpful a checklist would be to orient their actions in those chaotic and scary initial moments.

Below is our high-level guide on what to do in the first minutes, hours, days and weeks following a safety incident. It is of course a guide only - naturally specifics will always depend on the circumstances of an incident.

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THE FIRST FEW MINUTES

Immediate response

- First priority is to provide first aid and medical assistance including for delayed shock, if it safe to do so
- Raise an alarm
- Engage trained first aiders and emergency / evacuation wardens
- Ensure safety of all personnel – account for everyone
- Contact relevant emergency services – ambulance, fire / bushfire, police, port authorities
- This has most probably already taken place, so your role is most likely to confirm that all of the above steps have been appropriately taken



THE FIRST 10 MINUTES

Emergency response plan

- Implement the organisation's emergency response plan (hopefully a plan has been developed)
- Respond appropriately to the emergency type – firefighting, rescue, damage control, spill containment and clean-up
- Follow evacuation procedures for non-essential personnel and move to agreed muster points or safe refuge facilities.



THE FIRST 30 MINUTES

Gather information

- Establish the chain of command and commence forming incident response team
- Gather information to inform emergency services – what information needs to be obtained and provided to them
- Greet and escort emergency services to incident site and accompany them as appropriate to provide further site-based information in real time
- Assist and do not impede emergency services
- Consider whether hazardous substances or chemicals may be present or ongoing safety risk



THE FIRST HOUR

Notify relevant safety authorities

- Generally need to notify a safety regulator where there is a death, a serious injury / illness or a dangerous incident (eg. exposes someone to a serious risk to their health or safety emanating from an immediate or imminent exposure to an explosion, fire, spill / leak, plant malfunction etc)
- Initial notification to relevant safety regulator can be made verbally but this must be followed up in writing
- Identifying the relevant authority can be complicated sometimes, so it is best to err on the side of caution and notify all who may be relevant
- Any non-notification or delayed notification can lead to fines and/or could create an impression that the organisation is seeking to 'cover up' the incident or sanitise the scene
- Do not disturb the scene of the incident until it is released by the authorities (other than for emergency response, to manage any ongoing risk to health and safety, or to minimise environmental damage) – preserve and secure
- Assume that any statement given to emergency services will be passed on to the safety regulator
- Minimise environmental damage



THE FIRST DAY

Notify family of deceased/injured

- Notify the family of any deceased worker (in conjunction with the Police)
- Notify the family of any injured persons (in consultation with the Ambulance Service and the relevant hospital or health service)
- Do not release the names of any deceased/injured persons until after their families have been informed

Attend to management of people

- Provide guidance as to what is expected of workers and the support services available
- Identify potential witnesses, who they are, where they are, their movements for the next 48 hours, and their contact details
- Focus on eworkers' well-being – consider counselling and EAP services

Information gathering

- Establish record keeping processes for emergency response measures and other initial steps taken
- Consider if external legal assistance is required in managing incident response and legal risk prior to commencing the formal information gathering process
- Consider conducting own investigation, but careful considered planning is key (see comments below)

Stakeholder strategy

- Identify and categorise stakeholders and their interests and develop a strategy for dealing with each of them
- May include contractors, principals, joint venture partners, insurers, customers and suppliers (consider whether force majeure needs to be declared), shareholders (continuous disclosure), and the local and general community

Communications strategy –

our earlier article and podcast 'Communicating in a crisis'

- Ideally there should be only one person communicating externally with stakeholders and that should be a person at the highest organisational level
- Key priority – safety of people
- Empathy, honesty, patience and seriousness need to be focus areas
- Identify a schedule of key communications and communication mediums – print, TV, radio, social media
- Regularly communicate – it is better to over- than under-communicate, to assist in avoiding rumour and supposition
- Consider what level of internal communications is appropriate – the issuing of safety alerts internally can be particularly challenging and should focus on notifying of the hazard and avoid references to suspected causes and corrective actions
- Keep the organisation's WHS Committee and/or Health and safety Representatives briefed on the incident
- Manage document creation, distribution and storage
- Always observe the "golden rule": Communications should be limited to facts and the "knowns", while speculation including as to causes should be avoided



THE FIRST WEEK

Dealing with the regulator

- Regulators have very broad powers – they can:
 - conduct interviews and make inquiries
 - examine and inspect any works, plants or vehicles
 - take photographs, video or other recordings, measurements and samples
 - gather, examine and copy documents or require records to be produced for inspection
 - secure or seize evidence
- Be careful of informal interactions
- Nominate a single point of contact for regulatory enquiries, to ensure coordinated cooperation and to manage interviews
- Ask for document requests in writing – review and log documents provided – avoid ad hoc production of documents if at all possible
- Ensure full compliance with any non-disturbance, improvement or prohibition (stop work) notices that are issued – carefully consider what is required and whether the organisation may wish to challenge any notice issued

Witness briefing

- Brief potential witnesses so they are aware of their rights and the investigation process
- Consider whether a legal representative should be present in any interview
- Tell the truth, but stick to the facts as known
- Only statements of fact - no opinions, assumptions, speculation or conjecture
- Do not offer any opinion of whether there has been a breach of any laws or legal duties
- Do not pre-empt any investigation findings or make unnecessary or potentially damaging admissions
- Seek legal advice before providing documents or information other than the facts of the incident
- Know when to claim privilege against self-incrimination
- Be wary of “off the record” discussions

Privilege

- Information provided voluntarily is not protected
- Information subject to legal professional privilege does not need to be provided
- Not excused from providing information which may incriminate but it cannot be used against the individual
- Caution must be provided against self-incrimination must be provided



THE FIRST WEEK

Legal review of communications

- Only statements of fact - no opinions, assumptions, speculation or conjecture
- Do not pre-empt any investigation findings or make unnecessary or potentially damaging admissions
- Comply with legislative and regulatory requirements
- Information consistent with other communications

Organisation's own investigation of incident

- While an organisation will often want to conduct its investigation to determinate the cause of an incident, care should always be taken as to the scope of that investigation, what is its primary purpose, and importantly whether the investigation and its findings/report should be subject to legal professional privilege
- If the incident is sufficiently serious that it is being investigated by a safety regulator, then the organisation should seriously consider the need for privilege
- For privilege to arise, an investigation must be properly structured prior to its commencement and needs to be managed carefully – expert external legal assistance should always be sought

Unions

- May expect to be actively involved in response to a significant safety incident, particularly if safety has been a focus for them on site
- A union member may inform the union, so it is generally better to be proactive and control the messaging
- If the union wishes to attend the site, protocols should be implemented which reflect their legal rights to do so and to ensure that any such attendance is appropriately conducted

Other stakeholders

- Insurers – make sure all required notifications, are made but be careful with information being exchanged with insurers where it is privileged (as privilege can be lost where a claim is not yet accepted)
- Contractors – incidents will often involve third party contractors, but be careful with information flows and potential loss of privilege over information

We hope you never need this note but in the event you do it is helpful!
If you do require urgent assistance please contact one of our contacts on our [crisis management team](#).

INSIDE DEXUS'S SUSTAINABILITY JOURNEY

NEXT aims to bring you
a range of ideas and
perspectives.

**In this Q and A we talk to Sarah Breavington
- General Manager, Social, Customer & Funds
Sustainability at leading listed real assets company
Dexus - to learn about her journey to her current
role, Dexus's sustainability plans and learnings and
what success means.**

Can you tell us a bit about your background?

I am the General Manager - Social, Customer and Funds Sustainability at Dexus, responsible for setting the Dexus approach to social sustainability and how we embed sustainability across our funds and customer offerings. Previously I managed City of Sydney's Social Sustainability Strategy, I have worked across a range ASX and FTSE 100 businesses, driving and delivering sustainability strategies.

I love being challenged and creating impact. Sustainability puts you right in the heart of a business, working with a range of stakeholders, with complex problems that are often challenging to solve, but when you do, the impacts are real and tangible.

AUTHORS



SARAH
BREAVINGTON

GENERAL MANAGER,
SOCIAL, CUSTOMER & FUNDS
SUSTAINABILITY
DEXUS

What are the main objectives of sustainability at Dexus?

Dexus was an early adopter of integrating environmental, social, and governance (ESG) principles. Since this time, Dexus grew its commitment to achieving and maintaining net zero (across scope 1 and 2 (and operational scope 3)) emissions across its managed portfolio. Dexus was recently recognised for sustainable leadership as one of only two ASX-listed companies that met all Climatework's principals for credible net zero targets and actions.

At Dexus, we focus on three areas where we can create value and impact – they are customer prosperity, climate action and enhancing communities. At the same time acknowledging the foundations we need to continue to deliver on our priorities and to meet stakeholder expectations such as, Indigenous Engagement, Human Rights and governance and Reporting.

What are the key ingredients for achieving your goals?

A clear aspiration and strategy is essential. Without this, it's like having all the "ingredients" without the recipe – you just aren't quite sure what you're aiming to bake!

As we developed our new sustainability strategy, we identified a number of ingredients – or what we call enablers. Effective communication ensures our customers, suppliers and investors understand our sustainability offerings and creates collaboration opportunities.

KWM is a great example. We work directly with the firm, who is a customer and a supplier, to identify synergies in the work we do to create greater value for both organisations. We meet quarterly to discuss how we can support you as a tenant in our buildings, but also there have been opportunities for us to share and influence each other's activities. For instance, trialling new fit out solutions and initiatives that can then be delivered within the wider building community, or sharing each other's journeys to promote connection with our First Nations people and communities.

We also engage our employees to build and support their knowledge and understanding, through an internal resource called the Dexus Sustainability Academy. The Academy is a resource that enables employees to find out more about the strategy, and access specific training or learning opportunities focused on their role and sector.

The final one is delivery – a consistent approach is key. We embed sustainability in everything we do, from how we make investment decisions through to how we manage assets and collect and share knowledge and outcomes. Detailed roadmaps inform targets, metrics and timelines for delivering our overall sustainability strategy. They then inform sector strategies, which feed into fund investment plans and asset plans. It is also a component of our Group scorecard ensuring ownership and accountability of people across the business and improved performance.

What have you learned during this process?

My biggest learning has been the importance of continuous improvement and being ok with something not being perfect for it to be successful. We developed our Sustainability Academy quickly with the idea of testing what works and what might do differently. We are seeking feedback and phase two will look at how we adapt and refine the content to meet our peoples' learning styles and needs. Prioritising customer prosperity, climate action and enhancing communities and clearly articulating these, enables our employees to understand their role and concentrate their resources and efforts where they can have the most impact. It means all employees understand it is a part of their role, not an "add on" or a "nice thing to do".

Who is driving this agenda?

Our executive leadership team and board of directors have been instrumental in ensuring sustainability remains core to doing business at Dexus. They determine strategic direction and provide oversight of our governance processes for sustainability.

Then there's the sustainability team. As the subject matter experts, we are providing the strategic direction, tools and templates to embed sustainability, drive change, be innovative and lead within the industry.

At Dexus, we're all accountable for delivering our sustainability agenda. Without passionate advocates across the business, my job would be incredibly hard, and that is why it so important to create a culture of sustainability.

What does success look like?



Success is focused on our priorities and the outcomes we are seeking to achieve:

In Customer Prosperity this means improved customer satisfaction and enhanced wellbeing of individuals and communities who visit and use our assets. Our success will be our customers being able to achieve their sustainability objectives through our active engagement.

In Climate Action, success will see improved energy and resource efficiency alongside reduced operating costs for our customers. It will be having a clear strategic decarbonisation approach alongside the increased resilience of assets across the platform.

Lastly, for Enhancing Communities we will improve the quality of life for communities living in and around our assets through enhanced connection, inclusion and improved access to places and experiences.

What are you keeping your eyes on?

Mandatory reporting requirements are going to have a big impact over the next few years. It is already impacting how we engage with customers like KWM to meet our reporting requirements especially regarding scope 3 emissions. We have thousands of customers and investors who will need to report their emissions too. Our role is evolving, not just seen in terms of how we can make a building more efficient for our customers, but also a more productive space, and what data and services can we provide to support sustainable outcomes. This trend is only going to grow and it's going to be interesting to see how this influences how we work with our customers, but also how we procure or partner with organisations to meet aligned sustainability outcomes.

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