RMIT Online

Towards a Green-Skilled Workforce

PREPARED WITH DELOITTE ACCESS ECONOMICS

2025 REPORT

Executive Summary

Businesses need to prepare. Green skills demand is accelerating.

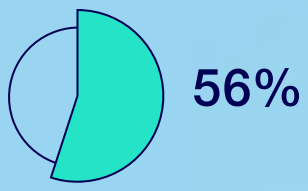
- A growing need for workers with green skills and expertise (e.g. recycling / renewable energy sectors)
- Existing roles requiring significant changes to responsibilities (e.g. accountants with climate reporting skills)
- The emergence of new roles that currently don't exist (e.g. biomass plant technicians)

Surveyed Employers

are seeking over one-third of their workforce to have green skills in five years, which will require **1.02m more green skilled workers in new and existing roles**,

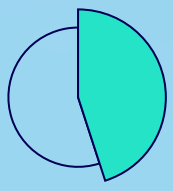
are willing to pay 13% or $13,000 more annually for managers with green skills, which will translate **to a $1.7 billion wage opportunity** for Australian managers,

in medium and large businesses, by 2030.



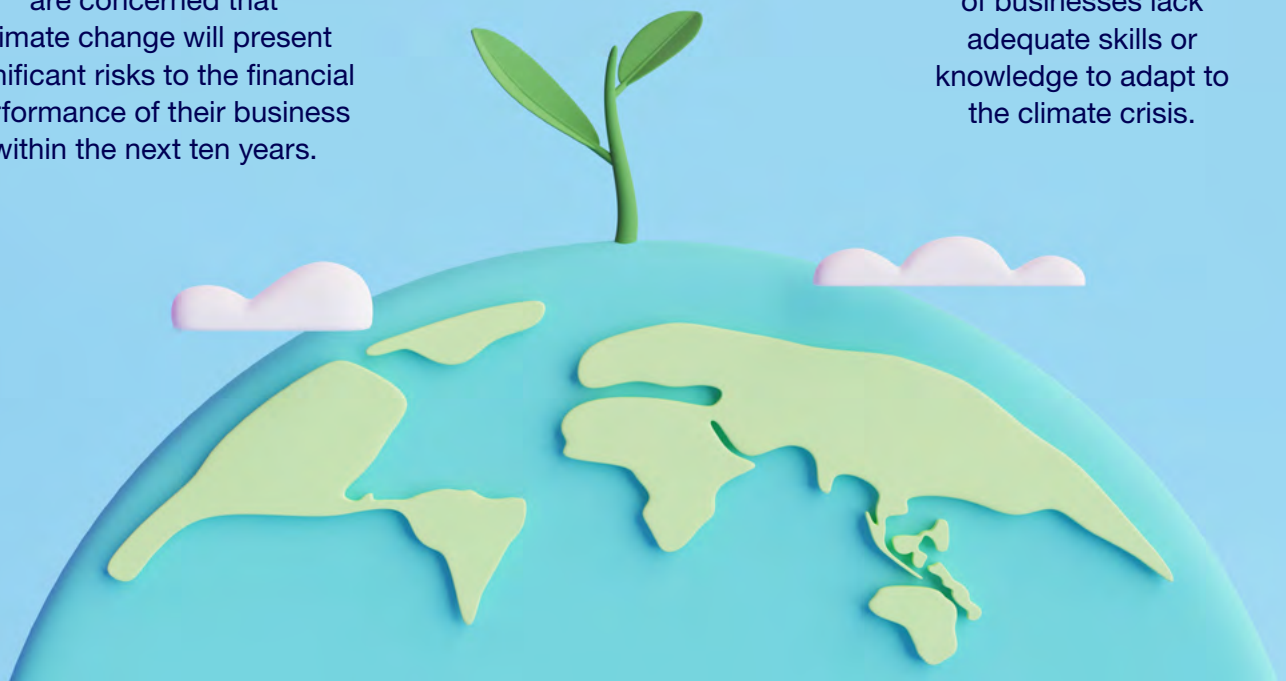
56%

are concerned that climate change will present significant risks to the financial performance of their business within the next ten years.



43%

of businesses lack adequate skills or knowledge to adapt to the climate crisis.



Barriers

Only one-third of surveyed businesses invest in green skills training for their employees, citing high costs, lack of time and insufficient resources as the most common barriers.

Cost of training — 61% of businesses listed this as a top three barrier.

Lack of time to undertake training—55% of businesses listed this as a top three barrier.

Insufficient resources to provide training—47% of businesses listed this as a top three barrier.

Regenerative futures

Close to **one-quarter** of surveyed businesses are focused on generating a net-positive impact.

Regenerative practices may be a way to restore and improve the environment and society in a sustainable and lasting manner.

Solutions

- Prioritise sustainability objectives
- Implement reskilling initiatives
- Map your workforce
- Prepare for climate reporting

EXECUTIVE SUMMARY

Climate change is disrupting the economy, harming health, damaging ecosystems, and changing the way businesses operate. **As the impacts of climate change intensify, green-skilled businesses will be better positioned to not just survive but thrive.**

Australian businesses are increasingly aware of the challenge ahead. 72% of surveyed businesses report that sustainability has become a higher business priority than five years ago, and **more than half of surveyed businesses (56%) are concerned about significant financial impacts of climate change.**

There are valid reasons for concern. In a four degrees hotter scenario, Australia's economic output could reduce by up to $423 billion over the next 40 years due to the impacts of high temperatures on labour productivity.[1] Extreme weather events, natural disasters and an evolving regulatory environment are already creating tangible financial impacts, for example, through increased insurance premiums and climate litigation cases. Importantly, mandatory climate reporting is starting from 2025 but only 57% surveyed businesses are adequately prepared for these requirements despite penalties for non-compliance.

So, how can businesses manage emerging climate risks? Simply put, **the climate transition needs to be skills focused**.

Climate adaptation requires businesses to foster a green skilled workforce that understands the challenges and can leverage green technologies and processes seamlessly.

THE SKILLS LANDSCAPE

Key to the climate transition is ensuring that there are enough green skilled workers. As green technologies advance, not only will new jobs be created at a rapid pace but traditional job roles such as accountants will now require green skills to perform the sustainability related tasks. Total green skills demand is expected to double by 2050, according to the Linkedin 2024 Global Green Skills Report.[2]

At present, **there is a significant green skills shortage** that will continue to worsen over the next few years. **43% of surveyed businesses currently lack both the skills and expertise required to prepare for the climate crisis, and 50% are struggling to hire talent.**

GREEN SKILLS

Green skills are skills and knowledge related to sustainability and climate change. Demand for green skills will likely impact the labour force in three ways:

- A growing need for workers with green skills and expertise (e.g. recycling / renewable energy sectors)
- Existing roles requiring significant changes to responsibilities (e.g. accountants with climate reporting skills)
- The emergence of new roles that currently don't exist (e.g. biomass plant technicians)

1 Australian Government 2023, Intergenerational Report 2023: Australia's future to 2063, https://treasury.gov.au/sites/default/files/2023-08/p2023-435150.pdf.
2 LinkedIn 2024, Global Green Skills Report 2024, https://economicgraph.linkedin.com/content/dam/me/economicgraph/en-us/PDF/Global-Green-Skills-Report-2024.pdf.

Surveyed businesses currently claim roughly one-quarter of their workforce has green skills, equivalent to 1,890,000 million workers in medium-large Australian businesses with green skills. However, by 2030, surveyed businesses would like to see 36% of their workforce have green skills; a difference of **1,020,000 upskilled workers** on today's levels. This increase reflects the number of extra green skilled workers that will be needed across both new roles and existing roles by 2030, rather than a growth in green jobs.

Despite this, **only a third of surveyed businesses are investing in external or internal green skills training for their employees**. Evidently, there is a **need for businesses to invest in upskilling employees** to prepare them for the changes driven by the climate transition.

Not only is there a clear business imperative for green skilling, surveyed business leaders report that they would be **willing to pay 13% (or $13,000) more per year** to attract a candidate with green skills into a managerial or leadership position. An increase of $13,000 per person would cover the costs of two week-long international holidays for the average Australian traveller,[1] or pay for an entire year's worth of groceries for the typical Australian household (with change to spare).[2]

This represents a collective wage opportunity of approximately $1.7 billion, for the almost 135,000 additional managers in medium and large businesses who acquire green skills by 2030.

REGENERATIVE FUTURES

Beyond immediate skills needs, green skilling enables businesses to play a key role in shaping a sustainable future. One approach businesses can explore is by becoming regenerative, which can also deliver benefits for the business itself.

A regenerative approach asks businesses to **create a net positive impact on the environment** around them by supporting initiatives that include upskilling internal and external stakeholders, restoring ecosystems that they impact, collaborating with the local community and investing in innovation. Some businesses are already ahead of the trend – 24% of surveyed businesses generate net positive impact and nearly a third are currently investing in capacity building for their stakeholders.

Transitioning to a regenerative model can be daunting without a clear pathway. A crucial first step is equipping the workforce with green skills and knowledge, so all employees feel empowered to drive positive change.

1 Budget Direct 2023, 'Holiday Costs Survey and Statistics 2023', https://www.budgetdirect.com.au/travel-insurance/research/average-holiday-cost-statistics.html#:~:text=More%20than%2050%25%20of%20Australian,a%20week%2Dlong%20domestic%20holiday.

2 Canstar 2024, 'What is the average grocery bill?', https://www.canstarblue.com.au/groceries/average-grocery-bill/.

1,020,000 more workers with green skills in new and existing roles across med-large businesses needed by 2030

$1.7 billion wage opportunity for the additional AU managers who acquire green skills by 2030

WHAT'S NEXT?

This report identifies **four key actions** that businesses can implement to build a green-skilled workforce and improve overall climate resilience.

First, businesses should consider **prioritising sustainability and climate change in business operations**. Businesses should clearly communicate the costs of inaction to internal stakeholders and seek to integrate more ambitious sustainability goals into the corporate strategy.

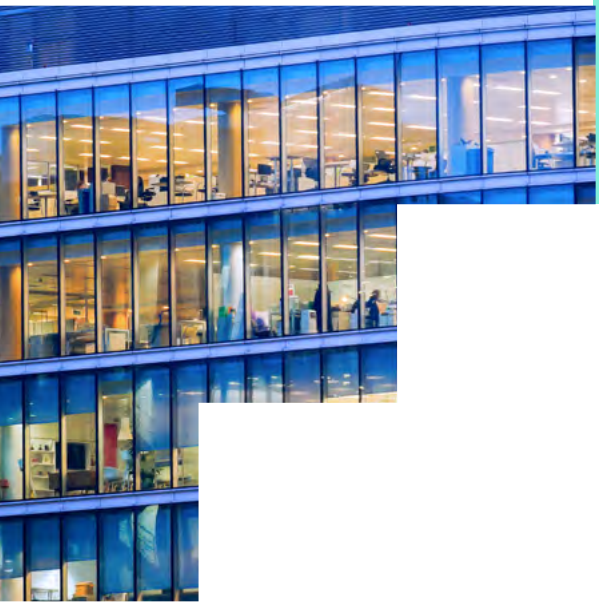
Second, businesses **should invest in practical training solutions to upskill and reskill their workforce**. Initiatives could include engaging external educators, providing access to online resources and introducing secondment opportunities to sustainability teams. Where possible, businesses should consider providing practical on-the-job opportunities to employees.

Third, businesses should also consider **mapping out the workforce to identify any skills gaps or areas that will be the most affected by change**. The results of the mapping can be used to re-align recruitment, training and retention practices with sustainability goals.

Finally, businesses should also **prepare for mandatory climate reporting requirements** by investing in data tracking, notifying stakeholders, and supporting capability development for all employees. Teams, such as finance and sustainability, that will be the most impacted by the changes should be provided with additional training to match new responsibilities.

Four key actions towards climate resilience:

1. **Prioritise sustainability and climate change**
2. **Upskill and reskill the workforce**
3. **Conduct workforce mapping**
4. **Prepare for mandatory climate reporting**



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Introduction

INTRODUCTION

This report sheds new light on the progress made to date by businesses responding to the climate challenge, and provides a high-level snapshot of how businesses are engaging with the climate transition and addressing emerging risks.

The report is structured as follows:

- **Chapter 1: The case for green skills** – explores the degree to which Australian businesses have integrated sustainability and sustainable practices into their strategic priorities, motivated by the need to remain compliant with everchanging Australian regulation and/or a desire to embody climate conscious practice.
- **Chapter 2: Skills landscape** – provides a snapshot of the skills and knowledge demanded by employers presently and in the future with a particular focus on green skills across all occupations.
- **Chapter 3: Regenerative futures** – reviews the potential for a regenerative futures approach to tackling the climate crisis and the role Australian businesses can play in adopting this approach.

The research in this report draws on a range of diverse data sources including:

- A bespoke survey of approximately 436 employers in Australia, fielded by Ipsos in December 2024
- Available research and literature on skills and reskilling (particularly as it relates to green skills), informed by a detailed desktop review
- Consultation with a leading Australian business to understand their perspectives and provide real-life examples.

Bespoke employer survey

The Employer Survey was fielded by Ipsos to 436 business leaders across December 2024. Survey respondents were individuals who are currently employed as executives, board members and owners, directors, or managers. The survey focuses on employers with 100 or more employees. When referring to insights across the sample in aggregate, the survey has been weighted by broad industry category in line with ABS business counts data.

Chapter 1 : The case for green skills

1

THE CONTEXT

Surveyed businesses acknowledge the risks that climate change presents to their performance

Climate change is an increasingly urgent global challenge and will cause unprecedented disruption to businesses and the workforce as its effects continue to intensify. Over the next 40 years, an increase in temperature of four degrees could see Australia's economic output reduced by up to $423 billion due to the impacts of heat on labour productivity.[1] Building a climate-literate workforce will be critical for navigating these disruptions and ensuring long-term resilience.

Businesses are becoming more aware of the potential implications for their workforce, supply chains and assets, with more than half of surveyed businesses (56%) concerned that climate change will present significant risks to the financial performance of their business within the next ten years. In particular, climate change poses the biggest challenge to the traditional industries (74%) as they are likely the most vulnerable to the physical risks of extreme weather events and natural disasters (Chart 1.1).

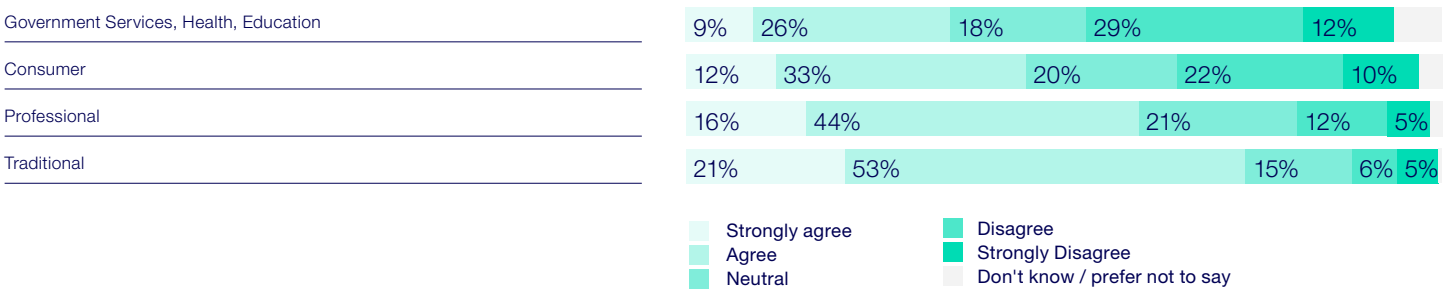
However, while professional industries are less susceptible to the physical impacts of climate change, 60% of surveyed businesses still acknowledge that climate change will become a significant financial risk within the decade (Chart 1.1).

Understanding and adapting to challenges early will mitigate risks for businesses.

As impacts continue to worsen, sustainability is now more of a business priority than it was five years ago for 72% of surveyed businesses. 65% of surveyed businesses report that climate change is a focus of their business strategy and almost all (99%) have integrated at least one sustainability initiative into their operational strategy.

However, alternative business goals (e.g. customer satisfaction, improving financial performance), continue to be at the forefront of business strategies (Chart 1.2). When surveyed businesses were asked to rank strategic goals, with sustainability the least likely to be prioritised first, even in a year when the business was performing well.

CHART 1.1: Climate change will present significant risks to the financial performance of my business within the next ten years, Agree/Disagree?



Source: Deloitte Access Economics employer survey (2024).

1 Australian Government 2023, Intergenerational Report 2023: Australia's future to 2063, https://treasury.gov.au/sites/default/files/2023-08/p2023-435150.pdf.

Businesses may struggle with climate change adaption due to perceived upfront costs and lower short-term payoffs, difficulties navigating unknown risks, and inadequate knowledge or skills to implement initiatives.

However, increasing investment into climate resilience, particularly through upskilling the workforce, will mitigate substantial financial risks, create new market opportunities, and provide a competitive edge as demand for green skills grows.

CHART 1.2: How would you rank the following business goals in terms of priority, in a year when your business is performing well?

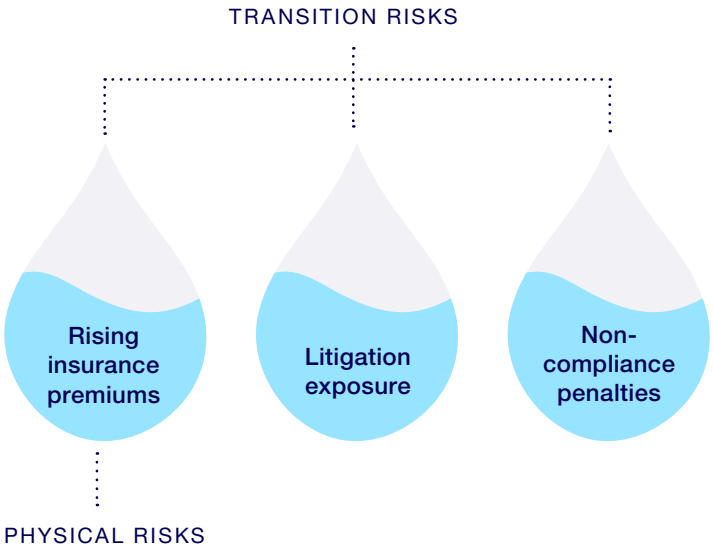
Source: Deloitte Access Economics employer survey (2024)

CLIMATE RISKS

Climate change will create serious financial risks for businesses

While climate risks may not seem imminent, businesses are already facing significant physical and transition risks in the short term. Mitigating risks will require proactive workplace preparation, including equipping workers with foundational climate literacy and strengthening specialist capabilities to effectively address emerging hazards.

Physical risks, such as extreme weather events and rising sea levels, directly impact businesses by disrupting supply chains or damaging property. Transition risks are financial risks associated with the climate transition, such as shifts in consumer preferences or changes to reporting regulations.



Increases to insurance premiums

As climate-related natural disasters become more frequent, insurance companies are responding to heightened climate risks by increasing insurance premiums for businesses in bushfire or flood prone areas. In the past few years, significant premium increases, has resulted in many smaller businesses becoming underinsured or uninsured, and vulnerable to large financial losses post-disaster.[1] The insurance industry is also proactively managing risk by shifting away from emissions intensive companies and offering environmental, social and governance (ESG) compliant businesses lower premiums.[2] Non-compliant companies may pay higher premiums or miss out on other incentives.

To manage this risk, businesses should invest in upskilling employees at the C-suite level to better align ESG priorities with long-term business strategy and decision-making.

Exposure to climate litigation

The past decade has seen a growth in climate litigation cases against corporate actors.[3] Companies across all sectors are facing increased scrutiny, aided by the emergence of new initiatives, such as the Carbon Majors dataset that tracks corporate emissions data. Litigators are seeking remedies for a range of climate related concerns, from polluting to green-washing. In recent years, shareholders have also begun to sue directors for the mismanagement of transition risk, including for a failure to implement net zero policies.[4] Within the Australian context, a rapidly changing regulatory environment that places new obligations on emitters (Table 1.1) means that businesses will be vulnerable to legal action, financial losses and reputational damage if they do not adapt quickly to ensure compliance.

To manage this risk, businesses must ensure that key teams, such as legal, compliance and sustainability, are proactively upskilled with up-to-date knowledge of regulatory obligations, climate disclosure standards and sustainability strategy.

TABLE 1.1: Climate change will present significant risks to the financial performance of my business within the next ten years, Agree/Disagree?

Regulation / initiative	Description
Safeguard mechanism[5]	Mandates that major greenhouse gas emitters remain within a progressively tightening emissions cap
National Greenhouse and Energy Reporting Scheme[6]	Mandatory climate related reporting enforced from July 2024 (in a phased approach based on business size and capacity).
Climate Change Act[7]	Legislation setting Australia's goal of net-zero emissions by 2050 and a 43% reduction by 2030.
Renewable energy initiatives[8,9]	Numerous initiatives include the Capacity Investment Scheme and solar power rebates.

Source: Australian Government (2025).

1 Law Council of Australia 2024, Impact of Climate Risk on Insurance Premiums and Availability, https://lawcouncil.au/publicassets/c3d611d6-4c63-ef11-94a8-005056be13b5/4583-S-Climate riskimpactoninsurancepremiumsFINAL.pdf.
2 The Australian Industry Group 2020, Business Insurance: Unaffordable or Unavailable?, https://cdn.aigroup.com.au/Reports/2020/Insurance_Problems_Report_Oct_2020.pdf.
3 Setzer, J., Higham, C. 2024, Global trends in climate change litigation: 2024 snapshot, https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2024/06/Global-trends-in-climate-change-litigation-2024-snapshot.pdf.
4 Ibid.
5 National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015 (Cth).
6 National Greenhouse and Energy Reporting Act 2007 (Cth).
7 Climate Change Act 2022 (Cth).
8 Australian Government Department of Climate Change, Energy, the Environment and Water, Capacity Investment Scheme, https://www.dcceew.gov.au/energy/renewable/capacity-investment-scheme.
9 Australian Government Department of Climate Change, Energy, the Environment and Water, Government rebates and loans for solar power, https://www.energy.gov.au/solar/financial-benefits-solar/government-rebates-and-loans-solar.

COMPLIANCE WITH SUSTAINABILITY REPORTING

Businesses need to prepare for sustainability reporting by upskilling the workforce

With the introduction of mandatory sustainability reporting requirements from 2025, businesses will need to take action to avoid the consequences of non-compliance. Concerningly, the Employer Survey found that only 57% of surveyed businesses believed that they were prepared for the new reporting requirements in December 2024. Businesses need to consider introducing systems and processes to measure their carbon footprint and scope 1-3 emissions, particularly if environmental audits have not been previously conducted.

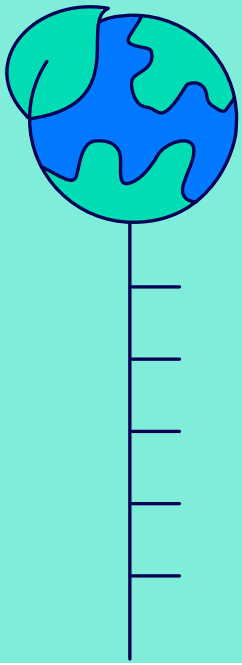
To achieve this, businesses should invest in capability development and improve climate literacy across the workforce. Businesses may also need to examine their management's level of climate competency, and provide upskilling to increase responsiveness to climate-related risks and opportunities.

What does this mean for businesses?

As illustrated in this chapter, transition risks can significantly impact financial performance, brand value and shareholder trust. Effectively managing these risks requires businesses to build a workforce equipped with the skills to drive and sustain change.

With the impacts of climate change unpredictable and fast-evolving, businesses must work quickly to develop the necessary green skills infrastructure and avoid getting left behind.

What is Mandatory Sustainability Reporting?



Large Australian businesses and financial institutions will need to prepare and submit annual sustainability reports to ASIC from 1 January 2025.[1] These include large businesses, NGER reporters (massive polluters) and Asset owners (Registrable super entities, registered schemes, and retail corporate collective investment vehicles).

What goes in a sustainability report?

- Climate statements for the year (incl. material climate-related financial risks and opportunities, metrics and targets)
- Climate scenario analysis (business resilience under the two global temperature goals)
- OR a statement that there are climate related financial risks or opportunities (for smaller entities)

Consequences of non-compliance

Offences include failure to comply with a direction from ASIC or a failure to keep sustainability records. Offences attract maximum penalties from $93,900 to $751,200.

1 Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024 (Cth).

Chapter 2 : The skills landscape

2

THE GREEN SKILLS GAP

The climate transition will significantly impact skills needs within the next decade.

As sustainable energy solutions increase and investment into green energy accelerates, demand for green skilled workers across all sectors will grow significantly. The demand will be driven by:

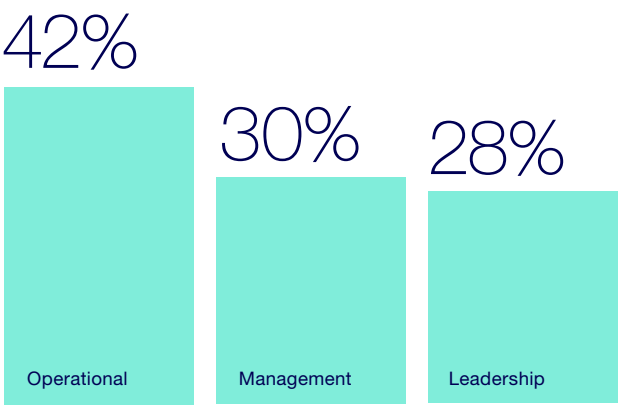
- A growing need for workers with green skills and expertise (e.g. recycling / renewable energy sectors)
- Existing roles requiring significant changes to responsibilities (e.g. accountants with climate reporting skills)
- The emergence of new roles that currently don't exist (e.g. biomass plant technicians)

However, a critical shortage of appropriately skilled candidates will impede progress towards sustainability goals. A report released by Jobs and Skills Australia estimates that Australia will demand an additional 240,000 workers in critical clean energy aligned occupations by 2030 (representing a 15% increase), in pursuit of net zero.[1]

Total green skills demand is expected to double by 2050, according to the Linkedin 2024 Global Green Skills Report, as more employers seek qualified candidates in the green energy sector.[2]

The ILO has forecast that if the climate transition is aligned with the Paris Agreement's goals, it could result in a global net increase (jobs gained minus jobs lost) of 18 million jobs by 2030.[3] Demand is likely to impact sectors disproportionately. Across the OECD, the utilities, construction, and manufacturing sectors have been identified as likely to have the largest net increases in jobs by 2030 as a result of the climate transition.[4]

CHART 2.1: Which of these levels within your organisation do you expect will be the most heavily impacted by the climate transition and the demand for green skills?



Source: Deloitte Access Economics employer survey (2024).

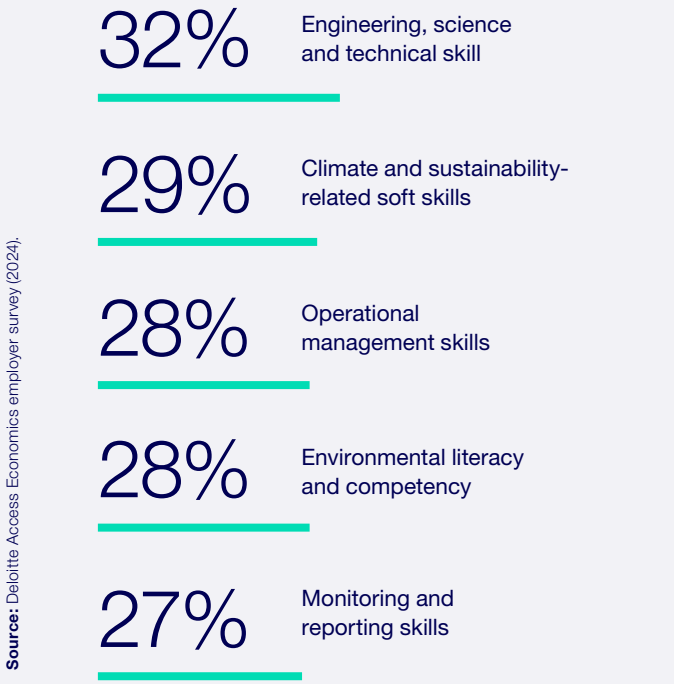
1 Jobs and Skills Australia 2023, Clean Energy Capacity Study, https://www.jobsandskills.gov.au/research/studies/clean-energy-capacity-study#:~:text=A%20project%20steering%20group%20was,achieving%20a%20net%20zero%20economy.
2 LinkedIn 2024, Global Green Skills Report 2024, https://economicgraph.linkedin.com/content/dam/me/economicgraph/en-us/PDF/Global-Green-Skills-Report-2024.pdf.
3 International Labour Organization 2018, Greening with jobs: World Employment and Social Outlook 2018, https://www.ilo.org/topics-and-sectors/just-transition-towards-environmentally-sustainable-economies-and-societies#:~:text=ILO%20studies%20show%20that%20implementing,18%20million%20jobs%20by%202030.
4 PwC 2022, The net zero generation: Why the world needs to upskill young people to enable the net zero transition, https://www.pwc.com/gx/en/issues/upskilling/the-net-zero-generation-unicef-generation-unlimited.pdf.

There is a widening green skills gap—businesses are struggling to hire skilled talent.

In addition to creating new jobs, employers will also be seeking to fill existing roles with workers that can integrate green skills into traditional job functions.

At present, there is a widening green skills gap, with 50% of surveyed businesses struggling to hire appropriately skilled talent. 43% of surveyed businesses report that they lack adequate skills or knowledge to adapt to the climate crisis, with the greatest gaps in engineering, science and technical expertise (32%), and climate and sustainability related soft skills (29%) (Chart 2.2). All levels of a business are likely to be impacted by the skills shortage, with surveyed businesses split on which organisational level - leadership (28%), management (30%) or operations (42%) - will most demand green skills in the future (Chart 2.1). Companies that fail to address this skills gap will find themselves falling behind in the climate transition, and struggling to manage risks.

CHART 2.2: Rate whether your organisation lacks each of the following green skills.



Source: Deloitte Access Economics employer survey (2024).

BARRIERS TO ATTAINING GREEN SKILLS

The climate transition at present, and over the next decade will significantly impact skills needs and knowledge.

A growing body of research highlights that as the climate transition accelerates and climate policies are enforced, it will become increasingly clear that every job, regardless of industry, will require some level of green skills and knowledge.[1] For example;

Accountants and auditors
(e.g. climate reporting, carbon accounting, sustainability disclosures)

Civil / structural engineers
(e.g. green building standards, energy efficient design, climate resilience in infrastructure)

Data scientists
(e.g. ESG data analysis, climate impact forecasting, carbon footprint measurements)

Logistics and transport operators
(ee.g. electrification of fleets and vehicles, carbon-neutral travel)

1 Economist Impact, Green Skills: Driving the transition to a more sustainable future, https://impact.economist.com/sustainability/green-skills-outlook/infographic

The increasing demand for green skills is evident amongst businesses, with those surveyed reporting that while one-quarter of their current workforce has green skills (translating to approximately 1,890,000 million employees nationwide), this proportion would need to increase to 36% by 2030. This 11 percentage point increase (or 1.02 million workers) reflects the number of extra workers with green skills that will be needed to fill both new roles and existing roles, rather than an overall growth in green jobs.

Analysis conducted by Deloitte Access Economics estimates 1,020,000 more workers with green skills in new and existing roles are needed by 2030 to keep pace with demand required by medium-large businesses across Australia.

Upskilling employees with green skills does not just benefit employers – there is also an opportunity for workers to earn a higher income. The Employer Survey found that employers were willing to pay 13% more, or roughly $13,000 more annually for a manager or leadership role with green skills.

While the wage dividend opportunity from upskilling is promising, currently just one-third of surveyed businesses invest in external or internal green skills training for their employees, citing high costs, lack of time and insufficient resources as the most common barriers (Chart 2.3). This implies that a greater emphasis must be placed on green skill upskilling and reskilling initiatives moving forward to achieve the wage premiums estimated.

CHART 2.3: Which of the following barriers does your organisation face in upskilling your existing workforce to obtain green skills?

61%	Cost of training and upskilling
55%	Insufficient time to undertake training or upskilling
47%	Lack or resources to provide training or upskilling
42%	Green skills are not a priority for organisation
36%	Changing certifications
32%	Workforce not interested or willing to upskill
9%	None

Source: Deloitte Access Economics employer survey (2024)

Collectively, closing the green skills demand gap creates a possible wage opportunity for managers in medium-large Australian businesses of...

→ $1.7 billion by 2030

*Note: as managers are upskilled over the next five years, the wage dividend they receive will be on an annual basis, suggesting that the total wage premium could be larger than $1.7 billion in cumulative terms.

Chapter 3 : Regenerative futures

REGENERATIVE FUTURES

Regeneration can help build sustainable, inclusive prosperity

As the climate crisis worsens, existing challenges such as inequality, biodiversity loss, and food insecurity, will increase in severity.

The United Nations' Sustainable Development Goals (SDGs) consist of 17 global goals aimed at addressing urgent environmental, political, and economic challenges to achieve a better and more sustainable future for all by 2030.[1] Of particular relevance to businesses facing the climate transition are Climate Action (Goal 13) and Responsible Consumption and Production (Goal 12) as they emphasise the need for companies to reduce their environmental impact by minimising carbon emissions, adopting sustainable practices, and promoting resource efficiency throughout the supply chain.[2]

One way to advance these goals is through a regenerative approach. This approach focuses on creating technologies, processes and initiatives that not only reduce harm but will generate a net positive impact on natural and social systems, driving sustainable outcomes for all communities.[3] The key objective is to foster a just and equitable society while rapidly stabilising the health of the planet (Figure 3.1).[4]

A regenerative approach will also produce benefits for businesses, including long-term profitability, stronger brand recognition, and improved market differentiation, as consumer preferences continue to change in favour of climate action.[5]

At present, regenerative practices are not well known and less likely to be adopted by businesses on the outset, with only 24% of surveyed businesses focussed on generating net-positive impact. Many businesses may be uncertain about how to move towards regenerative practices, and struggle to identify specific actions or frameworks.

However, as shown on the next page, regenerative business practices are also about prioritising the well-being of people, including equipping both internal and external stakeholders with the skills and knowledge to be climate resilient. 32% of surveyed businesses are already investing in building capacity in their stakeholders, which will help them to navigate climate risks, such as supply chain disruptions, and contribute to a healthier ecosystem. Upskilling employees is another regenerative practice that will enhance workforce resilience and drive innovation.

FIGURE 3.1: Transition towards a regenerative future

CURRENT	GOAL
• Unsustainable growth • Extreme and unpredictable climate events • Loss of biodiversity • Increasing inequality • Poorer physical and mental health	• Social and environmental systems are thriving • Human rights are universally respected • Human wellbeing and ecosystem health are prioritised over short-term profit • The planet's health is rapidly stabilised

Source: Forum for the Future (2021).

1 United Nations 2015, Transforming our World: The 2030 Agenda for Sustainable Development, https://sdgs.un.org/publications/transforming-our-world-2030-agenda-sustainable-development-17981
2 Ibid.
3 Ryan, N., Beesemyer, L., Caulliez, S., Waiyaki, J., Nayak, M., Chakrabarty, R., … Vladimirova, D. 2023, Introducing a novel framework for regenerative business. New Business Models Conference Proceedings, Maastricht University Press. https://doi.org/10.26481/mup.2302.40
4 Forum for the Future 2021, 'A compass for just and regenerative business', https://www.wbcsd.org/wp-content/uploads/2023/10/A-Compass-for-Just-and-Regenerative-Business-.pdf.
5 Rose, J. 2021, 'How Businesses Can Regenerate the Global Commons', Stanford Social Innovation Review, https://ssir.org/articles/entry/how_businesses_can_regenerate_the_global_commons

REGENERATIVE BUSINESSES

Regenerative businesses seek to create net positive impact across all stakeholder levels

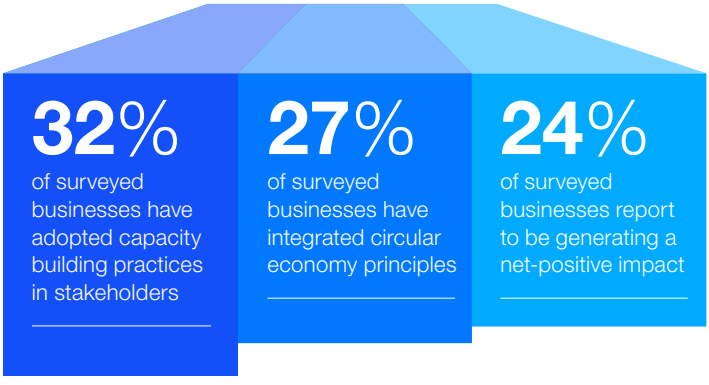
Regenerative practices expand on traditional sustainability principles by aiming to restore and improve the environment and society in a sustainable and lasting manner.

Recognising that a systems change is required to reverse the damage that has been done, regenerative businesses work collaboratively with their community to maximise social and environmental impact, seeking to improve the wellbeing of stakeholders at all levels (nature, society, customers, shareholders and employees). Regenerative business models are not prescriptive and there are a range of actions that a businesses could incorporate into their operations.

Along with the regenerative actions outlined in Figure 3.3, other initiatives could include promoting the physical, mental and social wellbeing of employees, investing profits in social justice causes, demonstrating transparency and accountability, and facilitating Indigenous knowledge exchange.[1]

For example, cosmetics retailer, Lush, has launched The Spring Prize, a biennial fund to support organisations that lead regenerative projects around the world.[2]

FIGURE 3.2: Sustainability practices or principles that have been integrated into surveyed businesses' strategic objectives



Source: Deloitte Access Economics employer survey (2024).

1 Konietzko, J, Das, A., Bocken, N. 2023, Towards regenerative business models: A necessary shift?, https://www.sciencedirect.com/science/article/pii/S2352550923000866.
2 Lush, 2025 LUSH Spring Prize, https://springprize.org/.

FIGURE 3.3: Regenerative business practices

Four Pillars has achieved carbon neutral status for gins bottled at distillery.[1] The distillery uses copper tubing to reduce energy consumption and glass bottle waste.

Sustainable businesses

Limit negative impact/mitigate harm

- Minimise waste creation
- Circular economy
- Renewable energy
- Reduce carbon emissions
- Ethical sourcing
- Fair labour

Patagonia supports regenerative organic practices for 800 cotton farmers in India.[2] This farming method aims to rehabilitate the soil, reduce emissions, and improve the lives of farmers.

Regenerative businesses

Create net positive impact

- Upskill people inside and outside the organisation
- Support and collaborate with local community
- Invest in innovation
- Restore and regenerate ecosystems
- Commit to addressing social challenges
- Co-create products with customers and suppliers

Source: Source: Konietzko, Das and Bocken (2023).

1 Four Pillars, Our Sustainability Journey, https://fourpillarsgin.com/blogs/journal/our-sustainability-journey?srsltid=AfmBOor52YUfYuMnk1SPt1bZd5_mMNg8yR2gkNASoJKOv_dyPlVByjYz.
2 Patagonia, https://www.patagonia.com/our-footprint/.

REGENERATIVE SKILLS

Embedding regenerative practices will require a new set of skills

A shift towards adopting regenerative practices will represent a change in business activities and the skills needed to support them for organisations. Building a regenerative workforce is about upskilling all employees within the organisation to ensure that they are empowered to contribute positively to the business, their own communities and society at large.

Regenerative business models require a holistic approach to upskilling. Businesses should equip all employees with a clear understanding of the new organisational strategy and how their individual actions contribute to the regenerative ecosystem. This shared understanding is essential to reduce implementation barriers and ensure that change is embedded across all levels of the organisation. Employees should also be supported with developing a range of technical and soft skills, including regeneration and planning knowledge, to support regenerative objectives.

Table 3.1 provides examples of how new initiatives undertaken by regenerative businesses will require employees in the most impacted teams to upskill to take on new responsibilities. However, it is important to note, that regenerative initiatives will likely impact all teams across the organisation. For example, implementing a positive impact audit will require R&D teams to upskill in regenerative design principles to create nature-positive products, and Supply Chain teams to strengthen their knowledge of regulations in order to track and report on impact. As collaborating with customers, suppliers and communities is core to regenerative processes, all teams will need a level of cultural competency and strong interpersonal skills to foster inclusive partnerships and generate mutually beneficial outcomes.

Fostering a regenerative workforce will require time and ongoing investment, but businesses will find prioritising skill development to be beneficial for sustainable growth.

TABLE 3.1: Skills needed for regenerative businesses

Regenerative initiative	Skills needed	Teams most impacted
Invest in product innovation	• Risk modelling to assess changes in design and sourcing decisions • Risk management and resilience planning • Familiarity with new technologies	• R&D • Product Development • Design • Operations • Innovation
Support and collaborate with local community	• Community-based participatory research • Cultural competency • Conflict resolution skills	• HR • Operations • Procurement • Sustainability • Communications
Restore and regenerate ecosystems	• Regenerative agriculture practices • Water stewardship and soil health • Biodiversity and reforestation knowledge	• Product Development • Sustainability • Operations • Environmental teams
Positive impact audits	• Proficiency in standards, codes, and reporting frameworks • Knowledge of valuation frameworks and quantifying environmental and social benefits	• Finance • Operations • Sustainability

Source: Deloitte (2025), using research from Forum for the Future (2021), The Gordon Institute of TAFE (2023), and SAI Global (2024).

Chapter 4 : Recommendations

4

NAVIGATING THE CLIMATE TRANSITION

Four steps businesses can take to become more climate resilient

For businesses navigating the climate transition, deciding on a plan of action can be difficult, particularly when balancing immediate operational concerns with long-term sustainability goals. While there is no prescribed pathway, four key actions businesses can take to become more climate resilient are set out here:

1. PRIORITISE SUSTAINABILITY OBJECTIVES

Sustainability and climate change is currently the least prioritised out of all business goals. Businesses need to understand how climate change will impact all aspects of their operations (such as through increased insurance premiums and liability risks) and communicate the costs of inaction to internal stakeholders. Reframing the climate transition as a short-term priority and focusing on fostering a culture of sustainability will drive progress towards more ambitious targets. Businesses should also seek to embed more sustainability goals into their corporate strategy, including integrating regenerative practices.

2. IMPLEMENT RESKILLING INITIATIVES

Only a third of surveyed businesses currently invest in internal and external training programs for their workforce. With all jobs likely to need some level of green skilling in the near future, there is an opportunity to ready the workforce and close the green skills gaps by introducing more reskilling initiatives. Businesses could partner with educational institutions or online learning platforms to provide accessible courses and certifications that align with future industry needs to employees. In industries such as renewable energy and manufacturing where technical skills, including knowledge about processes, are critical, businesses should consider providing practical on the job training to supplement microcredentials.

3. MAP YOUR WORKFORCE

43% of surveyed businesses lack adequate skills and knowledge for climate adaptation and 50% are struggling to hire skilled talent. Workforce mapping can help these businesses gain a better understanding of gaps in the business, and subsequently transform recruitment, retention and training strategies to address any deficiencies. A green skills audit of the workforce should identify skills gaps and oversupply areas, as well as discover opportunities for reskilling.

4. PREPARE FOR CLIMATE REPORTING

Only 57% of surveyed businesses are prepared for mandatory climate reporting requirements. Businesses should start assessing their emissions, developing a clear climate strategy, and investing in data tracking and reporting systems in preparation for the new obligations. To achieve this, businesses will need to integrate new accountabilities into existing roles and revise current responsibilities across finance, strategy and risk teams. More broadly, businesses should support capability development for all employees by providing training that strengthens foundational climate literacy. Additionally, C-suite executives will require upskilling to more effectively respond to climate-related risks and opportunities.

Chapter 5 : Appendix

An online survey was fielded to ascertain industry perspectives on climate and sustainability

The Employer Survey was fielded by Ipsos to 436 business leaders in December 2024.

Survey respondents included head of businesses, business owners, executives, directors and managers. The survey sample only included leaders from large businesses with over 100 employees.

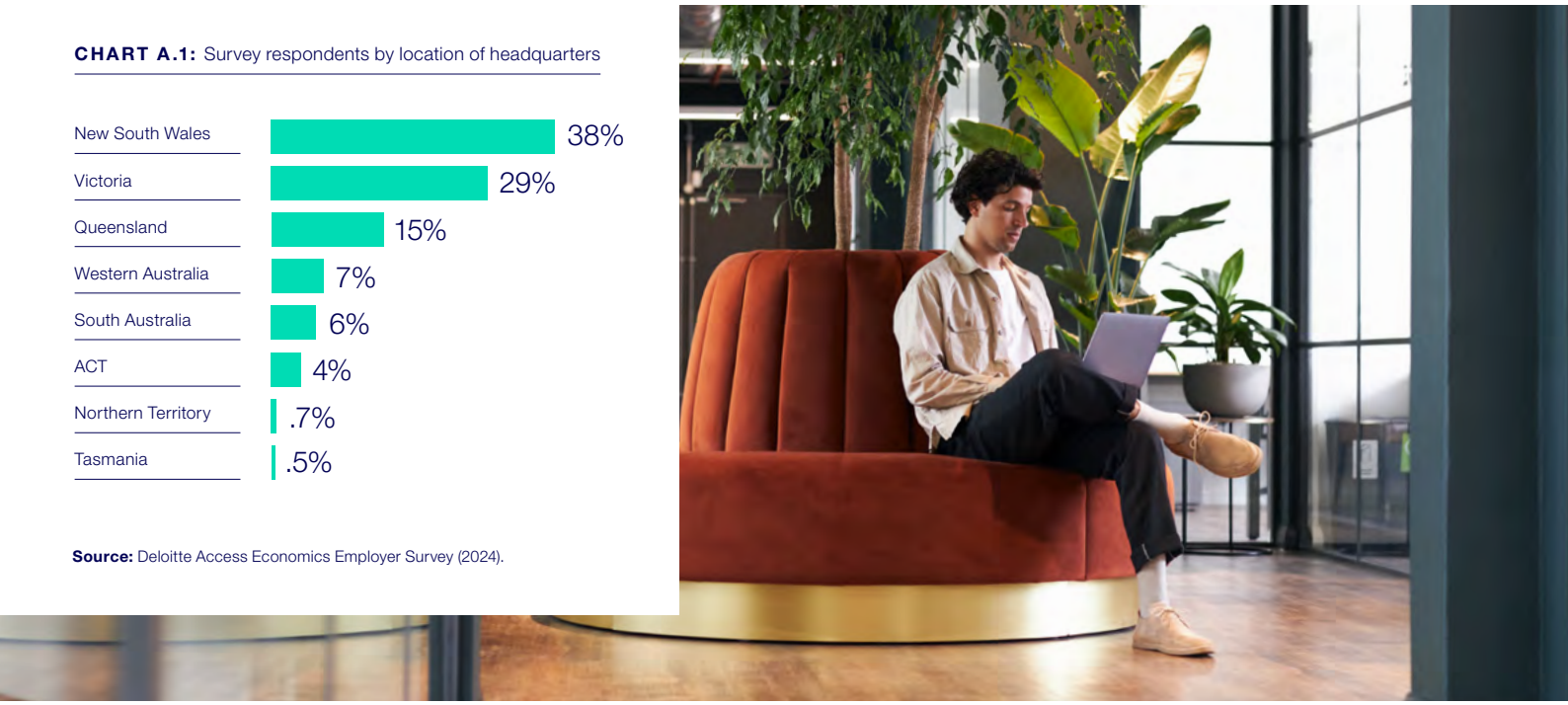
To correct for the skew in industry representation among respondents, responses were weighted to better represent the industry composition of Australian businesses. The adjusted weightings are shown in table A.1.

TABLE A.1: Survey respondents by industry type

Industry	% in sample	Weights
Traditional industries: • Agriculture, forestry and fishing • Mining • Manufacturing • Electricity, gas, water and waste services • Construction • Wholesale trade • Transport, postal and warehousing	24%	35%
Professional services: • Information media and telecommunications • Technology • Financial and insurance services • Professional, scientific and technical services • Administrative and support services • Public administration and safety	45%	28%
Consumer services: • Retail trade • Accommodation and food services • Rental, hiring and real estate services • Education and training • Healthcare and social assistance • Arts and recreation services • Other services	31%	37%

CHART A.1: Survey respondents by location of headquarters

Source: Deloitte Access Economics Employer Survey (2024).



The reskilling opportunity

Calculations to determine volume and value of the reskilling opportunity

TABLE A.2: Calculations to determine volume of additional workers requiring green skills by 2030s

#	Explanation	Number	Source/calculations
Z.1	Total current workforce in medium-large businesses	7,560,300	ABS – Australian Industry 2023 dataset
Z.2	Proportion of current workforce with green skills	25%	Employer survey
Z.3	Total current workforce in medium-large businesses with green skills	1,890,075	Calculation (Z1 x Z2)
Z.4	Growth of current workforce by 2030	7.15%	Deloitte Access Economics Macroeconomic forecasts
Z.5	Total medium-large business workforce by 2030	8,100,861	Calculation (Z1 x Z4)
Z.6	Desired proportion of 2030 workforce with green skills	36%	Employer survey
Z.7	Desired workforce in medium-large businesses with green skills by 2030	2,916,310	Calculation (Z5 x Z6)
Z.8	**Gap in projected and desired workforce with green skills by 2030**	**1,026,235**	**Calculation (Z.7 – Z.3)**

TABLE A.3: Calculations to determine wage opportunity available for managers with green skills

#	Explanation	Number	Source/calculations
Y.1	Proportion of medium-large business workforce that are managers	13.1%	ABS – Australian Industry 2023 dataset
Y.2	Additional salary willing to offer for applicants at manager level with green skills	$13,000	Employer survey
Y.3	Wage dividend to managers if gap in projected and desired workforce with green skills is closed by 2030	**$1,747,678,205**	Calculation (Z8 x Y.1 x Y.2)

RMIT Online Workforce Development

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