

A Role for the Minister's Wife: Australia's Place at the Global Cleantech Table

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Australia has a choice as to which seat it would like to take at the global cleantech table. I have moaned with the best of them that Australian governments are not supporting the cleantech industry enough for it to be successful on the world stage – and without success there is failure. There is however another less-binary choice for the cleantech sector: one in which Australia works collaboratively with other nations to deliver solutions to the world.

Growing the Pie

The 'either/or' arguments are that either Australia can choose to lead the world and become the 'Saudi Arabia of cleantech' or it can be merely an importer of the solutions. In business school language, this option is *distributive*.

The other option is to seek an *integrative* solution through collaboration. This moves the solution from 'dividing up the pie' to 'making the pie bigger'. This can take longer to build relationships and to explore options with the outcome being less predictable. Governments and corporations are not good with unpredictable complex solutions even with the potential to create unique and value adding solutions.

Transitioning to a sustainable world through the adoption of cleantech solutions requires a vision of innovative integrative solutions. But before we get to the vision, there is a journey of discovery to describe.

A Journey from Hope to Fear

2007 was a good year for 'cleantech' in Australia. Not only did Australian CleanTech and Cleantech Ventures both launch, but the Rudd Government won the climate change election. As Rudd soaked up the applause in Bali for signing the Kyoto Protocol, 2008 appeared to be the year that everything was about to take off. There was great optimism that Australia might take a seat at the head of the global cleantech table.

Things did not quite work out as planned! The Government faced understandable and fierce opposition and did not feel it had enough support in the community to fight against those with much to lose. There was however still hope that Australia would be an active participant in the global growth of cleantech.

That the surviving complementary and industry development measures were largely pulled earlier this year to pay for flood damage has a wonderful irony to it. A Government that came to power in the midst of a severe drought and with strong climate action policies cancels action on climate change to pay for the results of an extreme weather event. *Yes Prime Minister!*

The pessimistic fear now is that Australia will now fail to show up to the cleantech dinner at all.

Australian Activity

There is however plenty of activity in the Australian cleantech industry. We have reviewed over 600 growing companies and will publish our updated Australian Cleantech Review in March. Some of these companies are developing world leading technologies or delivering world leading business models. Companies such as Dyesol, BluGlass, ZEN Home Energy and Windlab have received good publicity. We have also seen many other companies which also have the potential to be world leading.

Global Activity

There is however even more activity in our near neighbours: China, Korea and India. Not wanting to fall too far behind, even countries such as Malaysia and Thailand are starting to ramp up their activity levels.

A recent HSBC report reviewed the low carbon investment policies of ten countries and found that China was by far the most attractive location followed by India and South Korea. China's upcoming five year plan will focus growth on seven 'emerging strategic industries', most of which are cleantech orientated; India has its own REC trading scheme and a Green Bank to help finance projects; and Korea is trying to lead the world through its Global Green Growth initiative.

Another interesting development has been the increased friction between countries vying for a leading spot in cleantech. The most notable of these has been between

the US and China over protectionist policies. The US has threaten to take China to the World Trade Organisation over its industry development initiatives whilst at the same time pushing hard to 'Buy American'.

With all this activity, it can be hard to see how a minor player can be influential.

At the Dinner Table

Shortly after moving to Australia in 1997, I was asked to attend a dinner at which I sat next to a recently retired federal minister. The minister did not feel the need to be engaging or even to introduce himself as he was clearly far too important. His wife however worked the table brilliantly. She facilitated conversation, made sure everyone was, and felt, involved and acted as the perfect foil to her husband. Everyone had a great evening including the minister who eventually entered the conversation despite himself.

Maybe Australia could perform the role of 'minister's wife' for the global cleantech industry. We could help facilitate conversations, mediate when people are being too self-important and pompous and ensure that everyone gets the most out of the event.

A Cleantech Vision for Australia

So my vision for the role of Australia in the global cleantech market is to provide a bridge between the region of the world in which we live - and are increasingly connected - and the parts of the world where our historical connections lie. We can be instrumental in assisting the flow of technology and investment between the developed world and emerging nations of Asia.

This of course would not be a selfless act. By being the facilitator, Australia can ensure that it secures the best investments, enables its own technologies to commercialised globally and can access the best of others' technologies. The beauty of this strategy is that it does not need supporting regulatory measures. It does not matter if the Government does nothing. As an industry, we do not have to waste any more time complaining about inconsistent and weak government leadership. Instead we can just get out there and take control of own destiny. With this vision the industry can create a strong, vibrant future for the country.

Place Settings

The global cleantech table is long and has the US at one end and China at the other. They are both trying to dominate the conversation and draw more people to be in their half of the table. Europe is in the middle convinced that the place settings are wrong and surprised when no one seems to be listening to its strong opinions. Korea is on the other side not paying much attention to the grumpy giants at the ends and quietly getting on with its meal. Australia has a number of different seats and engages with all the parties and helps them to understand the opportunities that will be created through collaboration and learning from each other.

By being flexible and willing to engage with many international partners, Australian cleantech businesses can create both significant value for their shareholders and a meaningful place for Australia at the global cleantech table - and all without having to wait for politics to catch up. Enjoy the journey!

John O'Brien is Managing Director of Australian CleanTech that operates in Australia, China, Korea and Malaysia and publishes both the Australian Cleantech Review and the ACT Australian CleanTech Index.