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### CleanTech opinion: The beauty of pessimism

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**I am jealous of pessimists. Life must be so easy when all you can only ever see is the downsides and the reasons why things should not be changed. I am even more jealous of pessimists who have access to expensive PR firms and lobbyists, who can make sure that a whole country is influenced by their psyche, writes John O'Brien.**

This week has provided some fine demonstrations of pessimism at work. The Federal Government backed down on its proposed CPRS plan under pressure from all sides to help shore up its poll ratings in order not to be remembered as a 'oncer' government (one that only lasted a single term). The Government viewed the option of being bold and courageous with pessimism, as it considered whether the voters would come with it. Sadly, it felt like it had more to do with getting 'one over on Malcolm' rather than serious policy formulation.



John O'Brien, Australian CleanTech

The industry commentators on these changes provided further examples: Mitch Hooke from the Minerals Council of Australia claimed the scheme's delay "amounts to little more than a temporary stay of execution for thousands of mining jobs"; Charles Burke from the National Farmers' Federation explained how beef farmers would go broke; and the coal industry are still furious that they only get \$750m.

Pessimism works well in driving two outcomes. Firstly it is great for increasing the fear of change – if you only see the negatives then why risk moving forward. Secondly, it encourages incrementalism – like walking down a rocky path on a moonless night, it is OK to shuffle forward slowly but far too risky to take a big step or maybe even a leap. So people continue to see the world through the same lens and just tinker at the margins.

The pessimists are right in that pricing carbon will cause jobs losses in emissions intensive industries. Given the whole point is to reduce consumption of emissions intensive products, job losses will demonstrate the scheme's success. Viewed in isolation, this is a terrible outcome. Pessimists are good at looking at things in silos. Looking back over the last 30 years, Australia has lost and exported almost all of its jobs as manufacturing shut down and globalisation took hold. Many have deplored this loss.

Pessimists are also right in that some emissions intensive investment may, in the short term, go to countries less advanced on carbon pricing. This 'carbon leakage' will not result in increased emissions, as all new plants will be built with an eye on future global carbon schemes, but it may result in job losses here and gains elsewhere.

Sadly I am not a pessimist. I see that the export of Australian manufacturing jobs has helped the Australian workforce increase its skills and increase the country's financial wealth. I see emissions intensive industries moving offshore as an opportunity for Australia to start focussing on the industries of the future – the cleantech industries – and thereby loosening the shackles to those industries that will inevitably go into decline as carbon is further restricted.

I see an opportunity for unions to strongly advocate for the development of the new industries and their associated cleantech skills to secure future employment for their members, rather than seeking to protect jobs in twentieth century industries.

There are, of course, serious transition issues in all of this and there will be difficulties on a local level. Stewart Taggart of Desertec-Australia comments on this transition by stating that as long as governments focus on looking after workers rather than the shareholders, this will be manageable.

Dr Sam Wells from the University of Adelaide speaks brilliantly of how paradigm changes only occur when the change is driven by the attraction to something better rather than moving away from something bad. Through cleantech,

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Australia will create green jobs, will create more connected communities and in the process increase both wealth and even the happiness of its people. The paradigm shift requires a change of perspective to the positives of a cleantech future rather than all the negatives of the changes to existing industries.

Luckily, the growth of cleantech is not reliant on there being a strong carbon price. Renewable energies will be driven the Renewable Energy Target and other cleantech sub-sectors will be driven by resource depletion, population growth and increasing wealth and life quality expectations. That the CPRS will be weak is irrelevant to cleantech as it will grow and prosper regardless.

Optimists can see a brighter future, but then have the significant challenges of convincing the wider community that the short term pain is worthwhile and then delivering on the vision.

Life would be easy as a pessimist!

*John O'Brien is MD of Australian CleanTech, a research and broking firm that provides advice to cleantech companies and financial institutions and publishes the ACT Australian CleanTech Index.*

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