Cleantech's slow start

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SOUTH Australia's clean technology firms failed to attract any substantial investment in 2010 as investors stayed away from an industry viewed nationally as "containing niche and often speculative" opportunities, a new report says.

The *Australian Cleantech Review 2011* predicts, however, that large-scale Asian investments into the sector in Australia will happen this year, opening it up to growth and momentum.

The report, released by Adelaide-based consulting and advisory organisation Australian CleanTech, analysed 767 Australian companies with a combined revenue of $22.2 billion.

Of this, South Australia's 91 listed and unlisted cleantech companies contributed close to $1.2 billion in revenues.

In 2009, the state attracted $95.3 million in total investment. While this figure rose to $281.7 million in 2010, most of it is attributed to the acquisiton of United Utilities Australia – now known as TRILITY – by Mitsubishi Corporation for $225 million.

"Australia is falling further behind the rest of the world," said John O'Brien, Australian CleanTech managing director and the report's author. "While there is an immature debate on pricing carbon here, other countries are seeing the 'opportunities beyond carbon' and investing in the industries of the future."

"Australian governments are missing the opportunities being presented to the world and, in the long term, the country will suffer," Mr O'Brien predicted.

While profits were non-existent for most companies, some are connecting with the growth markets of Asia and appear to be doing particularly well.

The 86 listed companies covered in the report lost a combined $291 million in net profit after tax in 2010, with the worst losers being Mission NewEnergy, Infigen Energy, CMA Corporation, Viridis and Enviromission.

"The cleantech growth in 2011 will be significant in some of its sub-sectors, while others will remain static. Wind, solar, water and waste will be the winners in Australia in the short term," Mr O'Brien said.

The report excluded companies that operate only partially in cleantech, including energy companies such as Origin Energy and AGL and multinationals such as GE and Siemens.

It also excluded government-owned corporations, meaning none of the state-owned water authorities and waste management activities were included.

Tool aids carbon economy

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"Councils in SA have led work on reducing greenhouse gas, particularly through kerbside collection of green waste to avoid creation of methane in landfill, but to continue to drive such outcomes we need a better tool to measure and record reductions," he said.

Balance Carbon managing director Matthew Shorten said all businesses should be preparing for a carbon tax economy by auditing their input and output.

He said the new software worked in a similar way to accounting software, allowing organisations or companies to input data, track emissions and test the re-