

New 'clean-tech' sector takes a bath

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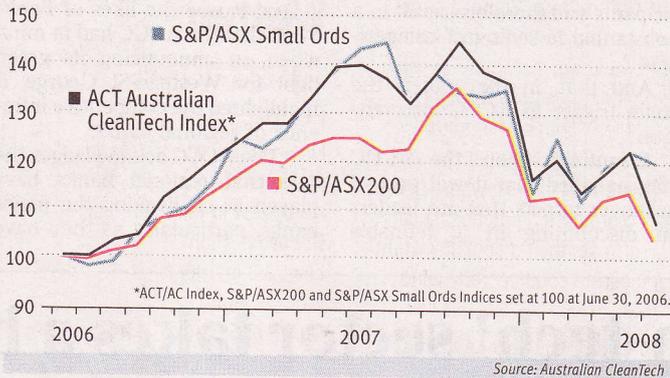
AUSTRALIA'S fledgling clean-tech sector has been mauled by the bear market, with some companies and sustainable funds shedding more than 20 per cent of value in the last financial year.

The slump is more than double the fall in the market over the same period and comes despite the Rudd Government racing to introduce a price on greenhouse gases through its push to introduce a national emissions trading scheme within two years.

The share prices of some listed companies have fallen by up to 50 per cent, and some sustainable investment products offered by major superannuation funds and investment managers have performed worse than conventional sectors.

The Australian CleanTech index reported a 55 per cent loss in

CLEANING UP



the biofuel sector over the past year, with a 31 per cent drop in the solar industry sector, 30 per cent loss in geothermal and a 28 per cent loss in wind energy.

These losses followed big gains by most sectors in the previous financial year, suggesting a

bubble in sections of the market late last year and reflecting significant volatility in the sector.

Australian CleanTech director John O'Brien said the sector was dominated by companies with relatively small market capitalisation and low earnings. Their

value came from potential earnings from changes in regulations and technologies under development.

Mr O'Brien said the sector was still outperforming the Small Ordinaries index, reflecting a degree of resilience in a tough market.

"Clean tech is just such a different concept," he said.

"It's not the IT bubble — there's lots of real assets being built.

"Clean tech is going to be huge. It's a question of when."

The performance of sustainable investments has filtered through to some sustainable superannuation and investment funds.

Australian Super's domestic sustainable share fund fell by 27 per cent last financial year, while AMP's sustainable share fund

Continued — Page 28