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CLEANTECH : Climate warming between countries

Australia and New Zealand could both learn from each other as they set about cutting greenhouse gases, Vicki Jayne finds at a trans-Tasman climate change conference. By Vicki Jayne

New Zealand ahead of the Aussies? Well – it doesn't happen often (except in sport, of course) but a recent Sydney conference focusing on business response to climate change saw this country lauded by Aussies as being on the front foot. New Zealand's Government has, with its Emissions Trading Scheme, at least provided some certainty around carbon pricing – and therefore a firmer platform for business planning. Absence of clear policy signals from Australia's Federal government has made it harder for businesses across the ditch to develop strategic responses to both the opportunities and threats of adjustment to a carbon-constrained future. And the good news? Both countries can cut their greenhouse gases by at least 15 percent by 2020 in ways that actually benefit the economy. But to do it, they need a price on carbon and a full range of complementary measures tailored to the needs of different business sectors. That's according to a communiqué issued during the sixth Australia-New Zealand Climate Change and Business Conference, which also noted that the two countries could learn from each other – Australia from the Kiwi experience of implementing a price on carbon and New Zealand from Australia's experience with "complementary measures", both regulatory and incentive. What the range of business, political, investment, science and technical experts at the conference also made clear is business can't afford to wait for the global policy fog to clear before taking action to adjust to what is a major shift in economic and social priorities. Certainly China is not hanging about. As Robert Hansor of Lloyds Register Quality Assurance pointed out, it doesn't need an international agreement to aggressively implement emission reduction measures. Driven by its energy security concerns and a desire to maintain economic competitiveness, it is pouring US\$740 billion into renewable energy and energy efficiency. It could even be argued that the short-term absence of a binding climate agreement following Copenhagen gives China a competitive advantage in the race to win the green economy, suggested Anthony Hobley, partner and head of Global Climate Change and Carbon Finance at Norton Rose. Cleantech opportunities aside, much of the adjustment that needs to be made is beneficial to business. There's no silver bullet, chair of ClimateWorks Australia John Thwaites told conference delegates. But there are opportunities that have a net return – ranging from energy efficiency measures to commercial property retrofits. In a report that analyses 54 emission reduction opportunities across 10 sectors of the economy, ClimateWorks has found Australia could achieve a 25 percent reduction in emissions from 2000 levels at low cost, using technologies already available. The report, Low Carbon Growth Plan for Australia (see www.climateworksaustralia.org) also found that "delaying action will mean some low-cost opportunities are lost, ensuring greater cost to society and business in the long run". The message that delay is costly also came from Professor Andy Pitman, co-director of the University of NSW's Climate Change Research Centre who told delegates that human-induced climate change is unequivocal, that long-term, large-scale impacts are coming at us and that there is little time to respond. "We need to adapt now to build robustness into our economic and social systems... The changes have to be fundamental which is why it is such a challenge." The later we start on GHG emissions reduction, the tougher they will be to achieve – and even cutting GHG emissions by 40 percent over the next 20 years only gives us a 50 percent chance of avoiding 'tipping-point' or catastrophic climate change impact. So why, asked Pitman, have scientists failed to convey the urgency of the situation? The answers include: politics – green issues are seen as left of centre even though a "left-right split on the laws of physics is ridiculous" (exceptions to this rule usually involve politicians who have science credentials); gender and age bias – more women and young folk see the issue as vital as opposed to older men (who still hold sway in boardrooms and cabinet rooms); confusion of climate with weather; and, media misinformation. So do we want to invest in technologies that take us into the future? The conference included examples of those technologies. Granex is pioneering a novel technology utilising lower to medium grade heat resources for power generation. GE Energy's smart grid system delivers more reliable, efficient and cleaner energy but – as company CEO (Australia/New Zealand) Tim Rourke noted, lack of policy certainty makes it hard to get investment traction. Getting a regulatory push toward cleantech would encourage investment in new technologies, said Transfield Holdings manager investments Chris Cook. The company's majority-owned German-based subsidiary, Novatec, uses proprietary linear fresnel technology for low-cost solar thermal generation. A small 1.4MW plant based on this technology started selling power to the Spanish grid early last year and a 30MW plan is currently under construction. The technology, said Cook, has wide application in Australia. But – investors are nervous about new technology which is where clear policy frameworks and clean technology incentives (including carbon pricing) would help. And that, it seems, is the biggest roadblock to generating the impetus needed for both the Australian and New Zealand economies to shift into low-carbon gear. As Ben Waters, GE Corporate's commercial director, Australia/New Zealand, put it: "We need leadership from both government and business. This is the opportunity of the century and we are punching below our weight because we lack the leadership needed to harness the disparate voice of support."

- The 7th Australia-New Zealand Climate Change & Business Conference will be hosted by New Zealand next year. Information and papers from the 2010 conference are available at

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