

Kyoto is an economic opportunity too

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The Federal government has a tendency to see only the economic costs in the Kyoto Protocol.

The Prime Minister's stock answer to questions on Kyoto and Australia's responsibilities with respect to global warming, repeated in Parliament a few weeks ago, is that "we do not intend to sign a protocol which would export Australian jobs to other countries".

We all know that Australia's natural advantages lie in reserves of fossil fuels, so it seems logical that signing up might produce an economic disadvantage. But missing from that logic is recognition of the new opportunities, and new jobs, that lie ahead.

If we stay on our current trajectory, Australia will make a great living digging things out of the ground while there is still plenty to dig up. We can expect earnings to remain high by world standards for several decades because, apart from short-term fluctuations, it is hard to imagine the price of coal or natural gas coming down. At home, coal-fired power (possibly supplemented by nuclear power) will pump out all the juice necessary to run our factories, homes and the desalination plants we are going to need.

But the Canberra economists keep forgetting to mention the new opportunities we will bypass along the way. In the absence of a serious effort to embrace a clean energy future at home, Australia will inevitably fall further and further behind in the science and technologies of sustainability. Whether we like it or not, the rest of the world will be making a Big Shift towards renewable energy sources. In Western Europe the shift is already well underway. Meanwhile the Australian economy will remain powered by non renewable resources—in both the literal, electricity generating sense, and in the financial sense, through earnings from exports. While using up resources and ecological capital we won't be building up knowledge capital, and just when global markets for new generations of technologies begin to skyrocket, Australia will have bowed out of the race.

Make no mistake, Australia has the potential to generate enormous wealth in this space where it also enjoys abundant natural assets (lots of sun, wind and open desert) and a vibrant, innovative science community. Science and technology has never been a winner-take-all game, and globalisation has made it less so. Important technologies are built on the foundations of many contributions from many places. For global products, even tiny building blocks bring big financial returns. Taking just one example, Australia's CSIRO, as a contributor to the development of globally ubiquitous WiFi networking technology, is currently working through the US courts to enforce royalties, on just one patent, worth something in the vicinity of half a billion dollars. What, then, will thousands of important patents in solar, wind and biofuel technologies be worth 30 years from now?

It is only by aggressively working towards cleaner, greener goals at home that Australia can create the catalyst for real investment in the technologies of renewable energy, clean fuels, environmental management and industrial efficiency. In twenty years time, not only would that see Australians a little closer to achieving a sustainable society at home, but it would give them a fighting chance of enjoying a fair share of the enormous commercial opportunities associated with the global transition. As an added bonus, they might avoid being overrun by bushfires and seeing the rivers dry up.

It is possible to plan for both sustainability and prosperity. Instead, the Federal government consistently takes a short-term view that might be funny if it wasn't so dangerous.

At some point it will change. Seventeen years ago, a more optimistic Al Gore told David Suzuki that when enough people are demanding that something be done about global warming, every politician on all sides of the political spectrum will suddenly jump on the bandwagon. I expect he will be proved right. Right now, however, Australian politicians have a huge blind spot that is preventing them from making that jump.

Whatever anyone believes about global warming, they should not buy into the myth that Australia's long term prosperity is tied to fossil fuels. Building a sustainable economy, and building wealth from the technologies and industries of sustainability, are interdependent

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