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Australian Cleantech Review 2013: Cleantech Sector Forges Ahead with \$29bn Revenue and 53,000 Employees

The Australian Cleantech sector is profiled to a greater extent than ever before in a report to be launched this week at events in Perth and Brisbane. The report provides an overview of the location, activities, revenue, employee numbers and funds raised by all of Australia's leading cleantech companies.

The report is published by Australian CleanTech, a research and advisory firm that works for cleantech companies, investors and governments to deliver both an understanding of and growth in the sector.

John O'Brien, Managing Director of Australian CleanTech, said, "This is the fourth version of Australian Cleantech Review and it has been used extensively by investors and governments wanting to understand the sector. This year we have expanded the coverage of companies to provide a more detailed profile. We have found that it is already a significant sector and one that is growing fast."

Cleantech is defined as comprising of products and services that have both '**economic and environmental benefits**'. The sub-sectors of cleantech include renewable energy, water, waste and recycling, construction materials, energy efficiency, carbon trading and environmental services.

The analysis of 1,340 Australian cleantech companies reviewed shows the leading sectors of activity and which regions are most active. As a sector, the companies had combined revenue of \$29 billion and employed 53,000 people. They were involved in capital transactions totaling \$1.3 billion during the 2012 calendar year in 126 separate capital transactions.

	TOTAL	Average
Number of Companies	1340	-
Revenue (\$m)	\$28,684m	\$21.4m
Employees	53,407	40
Capital Transactions (\$m)	\$1,316m	\$10.4m
No. of Capital Transactions	126	-

New South Wales and Victoria were the most active states with Water, Solar, Environmental Services and Wind all generating more than \$1 billion of revenue in 2012.

Comparable Industries - With 53,000 employees, the sector is larger than the direct employees of automotive manufacturing industry in Australia and the \$29 billion of revenue makes it equal in value to a quarter of the entire Australian Manufacturing sector. Furthermore, employees in cleantech create on average about five times the revenue per employee in comparison to both automotive and general manufacturing.

International Cleantech Sector - In addition to the Australian industry profile, a comparison is provided from international researchers including summary data from Bloomberg New Energy Finance showing international activity and investment levels. The 2012 total global investment in clean energy recorded US\$269 billion, an 11% decrease from 2011.

The international sector growth is being held up by strong growth in emerging nations offset by the slowdown in Europe and the US. China emerged as the 'clean energy superpower' in 2012 and other countries growing quickly include South Africa, Japan and Mexico.

"Australia is falling further behind the rest of the world," says O'Brien. "The Government's industry development programs in the 2012 have provided some assistance to the sector, but we still have a long way to go before we are in the premier league."

"We work extensively in China and Korea sourcing investors for the Australian market and the difference in the growth in those markets compared to Australia is huge. We have some great technologies and expertise and we have the opportunity to take these to the world."

Industry Forecasts - The report concludes with a forecast for the regulatory, technology and investment trends that will impact the cleantech industry in Australia in 2013.

Cleantech Trends for 2013	
1. Politics Plays Snap!	Regardless of the election result , it seems likely that the winner will move from a fixed price to an ETS earlier than the current 2015 to take advantage of the cheaper international certificates. This will lead to cuts to the Clean Energy Finance Corporation and some of the ARENA programs.
2. Industry Adopts Resource Efficiency	Industry is increasingly demanding cleantech solutions that improve their efficiency of operation and have immediate bottom line benefits. Energy Efficiency has been the first target of action but, during 2013, industry will adopt a focus on Resource Efficiency with the inclusion of efficiency solutions for energy, water, waste or materials.
3. Downside Drivers Change Community Conversations	The poor air quality in cities, water shortages in agricultural areas, contaminated land and water, increase severe storm events and many other characteristics will continue to be reported but during 2013. This will start to take hold in the popular press and start to change the Community Conversations and the consequent political discussions on the need for cleantech.
4. Global Cleantech Temptation	The extent of the global growth and investment into cleantech is largely ignored or misunderstood in Australia. In 2013, there will start to more coverage of the Opportunities of Cleantech that in turn will lead to increasing customer and investor interest in the sector.
5. Wind Flies Again	With the RET uncertainty resolved, the demand for LGCs increasing from liable entities, turbine prices dropping and more mature investors starting to enter the sector, 2013 is likely to see a significant increase in Wind Farm development and construction activity in Australia.
6. Who Needs a Feed-in Tariff?	Solar pricing is now reaching a level where it is competitive with off-grid and onsite usage without a feed-in tariff. 2013 will see 5-10 Commercial Scale Solar Projects commence construction and start to deliver power late in the year or in early 2014.
7. New Tricks for Finance Jugglers	Environmental Upgrade Finance has been slow take hold but will make further progress in 2013 through both Government facilitated schemes and through private funds using ESCo models.
8. Yuan & Won Flow Freely	North Asian investment from China and Korea has started to explore the investment opportunities available in Australia. <u>This is a very significant opportunity for the Australian cleantech sector!</u> 2013 will see this investment flow accelerate and start to be seen as the usual way to secure finance. The lack of interest from Australian investors and the small scale of the local VC industry will then start to become irrelevant.

"The data provided in this report will enable investors and government to more fully understand the opportunities that the cleantech sector presents," O'Brien concluded.

FURTHER INFORMATION:

For further information or to obtain a Review Copy of the report for please contact:

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The report will be launched at the [Perth CleanTech Network](#) on 19th March and the [Brisbane CleanTech Network](#) on 20th March.

The report is supported by the ASX, Bloomberg New Energy Finance, GreenCollar Talent Solutions and the international Cleantech Investor magazine.