



Keynote speech to the Kimberley Economic Forum

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Can you remember what you were doing in 2003?

To the first peoples of this land, both past and present, Mr President, Members of the Kununurra Chamber of Commerce and Industry, Senator Edelsten, distinguished guests, ladies and gentlemen, thank you for the generous invitation to allow an Eastern Stater to speak at your event, let alone giving the Dinner Speech.

So can I remember what I was doing in 2003? Well, I was turning 40. And to celebrate it, I did what any red blooded Australia male who is about to enter his mid-life crisis does; I escaped on a holiday with my wife to Central Australia and then onto Broome. I love Matzos Broome Brewery and the Sun Pictures Outdoor Cinema!

Now to me that does not seem like it was eight years ago.

But here's the scary thing. The distance in time between 2003 and now is roughly the same as the distance between now and 2020, by which point, according to the Australian Government, we will have cut carbon emissions by 5 per cent, be generating 20 per cent of our energy from renewables, and with it Australia and in particular the Kimberley Economic Region will be well along the way to operating a truly low carbon economy. Talk about uncharted possibilities!

Feeling confident any of this can be achieved? I am. Here's why.

Is it just me or is anyone truly aware how short a period of time this period is? Seriously, I've met people who can hold conversations that last longer.

To illustrate this just think back to 2003 again. Close your eyes for a minute. Work with me on this one. Remember this...

Peter Hollingsworth was Australia's Governor General but then so was Major Michael Jeffreys, John Howard was our Prime Minister and Geoff Gallop was the Premier of this great state.. Four people died in the Canberra bushfires and the Mount Stromlo Observatory was destroyed. Seven lost their lives in the NSW Waterfall train disaster. Tens of thousands protested in Australia against the Iraq War the biggest street protests since the Vietnam War.



In sport, in basketball, the Sydney Kings beat the Perth Wildcats and the Perth Glory avenged their defeat in the 2001–2002 National Soccer League Grand Final by beating Olympic Sharks 2-0 in the Final at Subiaco Oval to become Champions for the first time in their history. And of course Towns won the West Kimberley AFL Premiership.

Meanwhile, Australia hosted the 2003 Rugby World Cup, but was defeated in the final by England.

In that same year we farewelled from this earth Slim Dusty and Dr Jim Cairns.

And that is just in Australia. How things have changed. Oh, sorry, you can open your eyes.

All very glib I know, and so much history has been written even in that short period, but even when you take a more serious look at the changes in the economic, political and social landscape over the past 8 to 9 odd years you also start to see staggering similarities to the present time. It has become fashionable to comment on the breakneck speed at which the world is evolving, but what is often forgotten is the glacial pace of change that define many spheres of activity.

Take politics for example, yes, we've had three prime ministers since 2003, and but for a slight climate change miscalculation from Mr. Rudd, we probably would have had only two. Similarly, the US transitioned neatly from the House of Bush to the House of Obama.

Over nine years most developed economies will have two, or at a push three administrations (with the ever amusing exception of Italy), which means that the politicians who will have to finally meet Australia's 2020 carbon reduction targets, and the next phase of this region's economic prosperity and social and environmental resilience are already in play in our federal and state arena. They may not make it through to 2020, but it is easy to imagine that Merkel and Sarkozy will not be that long into their retirements. In this country it's anybody's guess.

Similarly in the US, the carbon reduction targets - which the US may well adopt itself if a successor to Kyoto is agreed - are arguably just two administrations away.

The same level of stasis is evident in the world of business, even with the evident turmoil going in various financial markets. Of course, the web has delivered a clutch of new firms - Google, Amazon, eBay *et al* - that have broken through to attain multinational status and global brand recognition. But on the most part the brands and companies that dominated the business world in 2003 have a decidedly familiar ring. Apple, IBM, Wal-Mart, Tesco, Boeing, GE, Microsoft, GM, BA, Lockheed Martin, Coca-Cola, McDonalds, and in our own sphere BHP Billiton, Rio Tinto, Woolworths, Wesfarmers, and the 4 Banks (2 of whom are members of the organisation that I have the privilege to be its CEO), they are all pretty much as influential now as they were in the mid 90s.

Again the chief execs who will run these firms come 2020 are already a long way up the career ladder, if not yet in the hot seat then either sitting on the board or knocking on the boardroom door.



In terms of economics and technological progress has been a bit more rapid over the past 12 years, but then again the pace of change is often exaggerated.

Globalisation, for example, has gathered speed and China and India have grown in influence and power, but both these trends were already well under way by 2003. Equally, many of the most carbon intensive industries and technologies - automotive, shipping, aviation, construction, steel, and, of course, energy – may now be making noises about decarbonising their operations, and some are actually something, but they remain fundamentally the same now from a technological and business model perspective as they were in 2003. If they are to hit their emission targets these industries will have to change more in the next 8 odds years than they have done in the last 50.

And, can I suggest to you, this is equally true of the issues that the President raised in his welcome to this Conference. Dare one suggest that much has been talked about the possibility of this Region feeding, fueling and marveling the rest of Australia, if not the world, but when will those new possibilities be realized? Yes, some are coming to life before our very eyes, but is there more that can be charted?

And for good measure, what of the perceptions that the aspirations for carbon reduction and the Kimberley's regional growth are possibly mutually exclusive?

In both cases, these targets are not some distant aspiration; they are the objectives that the current generation of political and business leaders will be judged by.

There are multiple causes for optimism for those hoping we can build the low carbon economy within this period in much the same way as the internet-led technology revolution that has done the most to change social and business mores since 2003. It is worth noting that it was only about a decade earlier around 1996, when mobile phones first became affordable and portable enough to attract the interest of the mass market – years on many people carry two phones, and an iPad with them and would be lost without them.

There is plenty of reason to hope that a Derby Wave Power, for example, could become the Google of the next eight years and go from ambitious start up to global powerhouse in next to no time. (ok, that might be a stretch, but remember what the message of this conference is) But it is possible to imagine that wave power or solar PV, solar thermal may be as ubiquitous in 2020 as the mobile phone is today.

And we're not just talking about switching from one fuel feedstock to another. The ability to unleash the possibilities of this region (economic, social and environmental) are much more profound if the region doesn't have to wait for the power line to be hooked up, but rather the Region generates its own power.

And yet this will not happen without a degree of tenacity from business and political that is still sadly lacking. What is required is an industrial revolution far greater in scale, impacting far more sectors and achieved far faster than the aforementioned IT revolution and yet too many of the key players continue to defer.

Australia itself provides a case in point. The Government's carbon reduction plan was published recently and yet it is likely to be a further 4 months or so before it is finally



approved. In the meantime, vested interest groups will try and water it down, while others will try to bolster it up, while those companies planning green investments will still have to deal with a degree of uncertainty over how legislation will pan out. There is always a fear that rushed decisions simply mean you repent at leisure, but that doesn't stop that fact around ten per cent of the time left until 2020 will have passed before we even know for certain that Australia's measures will be adopted.

Let's take the growth and prosperity of this region as another case in point. Uncharted, and in some cases unknown are the possibilities for this region out to 2020, and yet the time available to us is almost in the blink of an eye.

On both counts, it's easy to understand this lack of urgency. Time might march inexorably on at a constant rate, but our perceptions of it vary enormously. In my case, being 48 might seem like yesterday (well, it was June actually), but being 56, as I will be in 2020, seems almost impossibly distant. Most people feel the same way regardless of their age and it is this psychological reality more than anything else that explains our leaders' apparent complacency.

But this is a highly dangerous trick of mind that only encourages inaction. And of course those firms and countries that act now to meet their emissions targets are those who will enjoy the smoothest and most inexpensive and risk-free transition to low carbon business models.

As I raised earlier there is the question in a lot of Australian's minds that a carbon price, and growth, jobs and general prosperity are mutually exclusive. With respect to that argument, I just cannot see it, but don't take my word for it, look at the evidence. Europe teeters because of poor financial management out of its inability to manage its currency not because it introduced a carbon emissions trading scheme. The US manufacturers in the mid-North East have been operating an emissions trading scheme for almost 30 years, and there is no evidence of them shutting down because of the emissions market. In fact the reverse is true. In Australia, and in particular New South Wales, energy generators have been participating in a trading scheme for over ten years. It's a trading market in salt, or more correctly saline that was previously discharged unregulated into the Hunter River. And let's not forget that all NSW Generators have been operating under a carbon trading scheme since 2003. There's that date again.

My point? if you think we can put off those changes, these opportunities, this transformation for a few more years, just remember what you were doing (if not wearing!) in 2003. That should be enough to shock you into action.

Thank you.