

## Transcript

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 Compere: **LOUISE MAHER** Summary ID: **C00033110642**

Item: **INTERVIEW WITH HEATHER RIDOUT, CEO OF THE AUSTRALIAN INDUSTRY GROUP, DISCUSSING HOW PRIME MINISTER KEVIN RUDD HAS ANNOUNCED AUSTRALIA WILL CUT ITS GREENHOUSE GAS EMISSIONS BY FIVE PER CENT OF 2000 LEVELS BY 2020, BUT COULD MAKE A CUT OF UP TO 15 PER CENT IF OTHER COUNTRIES ALSO SIGN UP TO STRONGER REDUCTIONS. RIDOUT SAYS AUSTRALIAN TARGETS MORE THAN PARALLEL AND MATCH MOST OF THE EUROPEAN TARGETS.**

**INTERVIEWEES: HEATHER RIDOUT, CEO OF THE AUSTRALIAN INDUSTRY GROUP**

Demographics:	Male 16+	Female 16+	All people	ABs	GBs
	3500	4600	8100	3500	5500

LOUISE MAHER: Heather Ridout is CEO of the Australian Industry Group, good afternoon.

HEATHER RIDOUT: Good afternoon.

LOUISE MAHER: John Connor says this is a poor outcome for Australia, what do you think?

HEATHER RIDOUT: Look, I think the government has struck an ambitious compromise, I think in a sense negative five to negative 15, if you go to negative five, it implies we're going to reduce our emissions by one in five by the year 2020, if we go to 15, it's almost one in three, that's one-third.

These are very big issues, per capita basis is 27 per cent, 15 per cent is over a third, so they're very big asks, if five per cent is going to impose something like a \$7 billion cost net terms on our economy after the compensation from day one, and up to over \$10 billion by 2020, I think really, on any measure, and even if you look internationally, our efforts today, our targets more than parallel and match most of the European - all the European Union, and just about there with the UK, so...

LOUISE MAHER: But what about the scientific measure? What about the scientists who say that unless we cut, at least by 25 per cent, we're going to lose such things as the Great Barrier Reef, the Murray-Darling Basin?

HEATHER RIDOUT: Well I don't think - but really, I don't think Australia can save the Great Barrier Reef or the Murray-Darling Basin, that's a folly that's been put around, we have to...

LOUISE MAHER: But what about the argument that if we cut deeper, other countries will follow?

HEATHER RIDOUT: Well, if we cut deeper, we'll lose our industries, if we cut - even five per cent will be a stretch, and if we cut deeper, we'll be cutting off our nose to spite our throat, because we'll be exporting emissions to other countries that won't have as good energy and emissions targets as we do, so I think we have to be really balanced about this issue.

Industry still won't be comfortable, it'll have a major effect on their profitability and margins, they're going to have to make a transition to a more carbon-constrained way of doing business, agriculture's got to get on board, one of the biggest emitting industries. It's all right for property and banks and others to call for higher targets, because they're all winners out of this, they don't have to pay the piper like our members do, in the trade-exposed industries, that are, you know, big employing industries, so I think we have to keep balance in the debate.

LOUISE MAHER:

What about the argument that if we'd paid greater attention - well, the Prime Minister has announced a package to encourage the development of renewable industry, but if we poured more of our expertise, our energy and our dollars into that sector, there wouldn't be this worry about losing jobs, and this worry about what would happen to the economy, that we could cover it?

HEATHER RIDOUT:

Well, I think with renewable industries, we really have to have a high enough price of carbon to make it work, and that will imply a big cost on the economy as well, through higher electricity costs, et cetera. Now I think there will be a growth in renewable industries, as a result of this package, and I think we need that to happen.

And over time, they will emerge as much bigger generators of our energy needs than they do at the moment, and that's certainly something I know the



government is focused on, and our industries are focused on, because we have a lot of members in that industry. But I don't think you can just say, well forget about coal-fired power stations, if we can forget about the fact that we've had 300 years of coal in Australia, and frankly also, if we can forget about we have uranium, 40 per cent of the world's uranium in Australia, and we're not even prepared to have a nuclear debate.

So there's a lot of options Australia has in energy, and we need to use them all in a very sensible way, that sustains the planet.

LOUISE MAHER:

But you think that industry, in Australia, will be on the whole quite happy about the package?

HEATHER RIDOUT:

I don't think they'll be happy at all, I think a lot of them will be very nervous about it, for many of them it'll cost them a lot of money, they're going to have to renew their businesses, go about it in a different way, put in new technology, change their processes, and can I say, this is going to occur at a time when they're facing an unparalleled economic crisis, it's extraordinary, and they're cutting back capital expenditure, because they can't get money from the banks, and when they do try to get it, they have to pay more for it.

So it's against this background that this scheme is going to be implemented, and I don't think anyone



should be under any illusion how tough that's going to be.

LOUISE MAHER: Heather Ridout, thanks for joining us.

HEATHER RIDOUT: My pleasure.

LOUISE MAHER: Heather Ridout, CEO of the Australian Industry Group. If you'd like to have your say, the number here is 1300 681 666, 1300 681 666, or you can send me a text message on 199 22 666.

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ABs = Managers, administrators, professions. GBs = Grocery buyers.

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