

Transcript

Station: **ABC 774 MELBOURNE** Date: **11/12/2008**
 Program: **MORNINGS** Time: **08:44 AM**
 Compere: **ALI MOORE** Summary ID: **M00033067398**

Item: **ALI MOORE DISCUSSES THE COMMENTS MADE BY PENNY WONG, FEDERAL MINISTER FOR CLIMATE CHANGE, ABOUT THE WHITE PAPER ON THE EMISSIONS TARGETS FOR AUSTRALIA.**

INTERVIEWEES: PENNY WONG, FEDERAL MINISTER FOR CLIMATE CHANGE; HEATHER RIDOUT, AUSTRALIAN INDUSTRY GROUP

Demographics:	Male 16+	Female 16+	All people	ABs	GBs
	59000	65000	124000	35000	75000

ALI MOORE: Well we were talking just before about the climate change talks. I don't know whether you heard on AM Penny Wong, the Climate Minister talking about the White Paper. In fact she's not giving us too many hints. She was on AM. Here's a little snippet of what she was saying.

[Excerpt of Penny Wong]

PENNY WONG: Obviously the Prime Minister is in regular contact with world leaders and that is completely normal. In terms of what Australia will do, I've said clearly that we will be announcing our target range next week with the White Paper.

[End of excerpt.]

ALI MOORE: Well that was Penny Wong on AM talking from Poland. We had Rupert Posner raised the question about what the most effective way is to do a global deal. Heather Ridout is the chief executive of the Australian Industry Group. Heather Ridout, good morning.

HEATHER RIDOUT: Good morning, Ali.



ALI MOORE:

If the Government does start soft if you like, between five and 15 per cent, but then commit to more if there is a global deal, would that be welcome by industry?

HEATHER RIDOUT:

Look, - five per cent to 15 per cent is a - they're very big targets. What we're asking for is that the Government does build in some calibration to international action in this regard.

Our thinking on this, our commitment to it as a nation was really put in place when the economy was much stronger. When we had big surpluses and we were wondering what to spend them on. We had profitability in business and now we're in a very very different situation. So we have to be even more cautious, and clearly that's what the rest of the world's doing as well.

ALI MOORE:

But isn't that a very difficult argument to make because regardless of the economic circumstances now, if eventually you're going to have to deal with climate change, at some point over the cycle, over the next 100, 200 years it's going to be tough times, so you have to...

HEATHER RIDOUT:

Indeed.

ALI MOORE:

... be able to deal with it through the cycle.

HEATHER RIDOUT:

Well I think we do want to move forward, we do want to actually set out an action plan and whatever we do in the early years, it has to be predicated on the basis we are going to move to a certain point.

We've said we're going to meet our Kyoto targets. Let's have a target shaped by that. We could have a - what we've suggested perhaps is a dry run. For the first couple of years in this really dire economic time we don't impose costs on business.

Even under the Green Paper proposals, in the first year it would cost eight billion dollars to the economy. That would rise



between \$14 and \$18 billion over the period to 2020. So they're very big figures that we're imposing straight on businesses.

ALI MOORE:

So what would a dry run be?

HEATHER RIDOUT:

Well a dry run can take a number of forms. One approach is just to require reporting without a carbon price. Another might be to set a fixed price. So there's a variety of things that could be put in place. We would still say we have to have a definite transition set in place so that after that dry run we move into a freer market regime where we ratchet up the targets. Hopefully by then we'll know what the rest of the world's going to do.

And in a way, whilst the upper targets are important, the bottom one, the one that we will do unilaterally is clearly the most important one. And we've suggested that you really should set a target that returns us to 2000 emission levels by the year 2020. And that does not sound much, but it is actually. It would require us to strip out one in every six tonnes of emissions by 2020 and reduce our per capita emissions by 20 per cent relative to 2000 levels. So that's sort of at a zero compared to 2020. Once you get below that, you really start to put the pressure on.

ALI MOORE:

At the same time if we do do a dry run, if we do things like a fixed price and that sort of thing, where does that leave us with all these calls from developing countries for developed countries to take the lead? Doesn't it sort of become almost a Clayton's scheme and internationally it'll look like we're going backwards, not forwards.

HEATHER RIDOUT:

I don't think so. I mean the thing is it has to be predicated on a commitment to move forward and introduce an emissions trading scheme and set targets for reducing our emissions by 2020 and 2050. So business has accepted we are going to put a price on emissions.



The big issue is what that might look like, what the rest of the world is going to do.. There's still really not a lot of progress. We have a new administration in America, we have the deepest recession across the world. Every single trading partner of Australia except China is basically in recession. So it's a very tough environment and Copenhagen, at the end of the year, is going to be actually conducted in that environment.

So what we're saying is that there's a lot of uncertainty, a lot of unpredictability about this whole world issue. We shouldn't withdraw from our commitments, but we should moderate them and be very careful.

ALI MOORE:

Heather Ridout, thank you for coming on the program.

HEATHER RIDOUT:

My pleasure, Ali.

ALI MOORE:

Heather Ridout there from the Australian Industry Group at 11 minutes to nine.

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