

Transcript

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 Compere: **FRAN KELLY** Summary ID: **W00036530775**

Item: **HEATHER RIDOUT OF THE AUSTRALIAN INDUSTRY GROUP
 DISCUSSES THE OPPOSITION'S PROPOSED AMENDMENTS TO
 THE GOVERNMENT'S EMISSIONS TRADING SCHEME.**

**INTERVIEWEES: HEATHER RIDOUT, AUSTRALIAN INDUSTRY
 GROUP.**

Demographics:	Male 16+	Female 16+	All people	ABs	GBs
	4700	4500	9200	3900	6000

FRAN KELLY: Well, the Opposition amendments have been described this morning as a business wish list, and they offer more protection, as we've just heard, for trade-exposed industries, power generators and coal producers.

Heather Ridout is the chief executive of the Australian Industry Group, which represents business across the spectrum, from manufacturers to construction industries, and she joins us now.

Heather Ridout, welcome to *Breakfast*.

HEATHER RIDOUT: Good morning, Fran.

FRAN KELLY: Now, I know you probably haven't seen the final detail of the amendments [laughs] either, but on the face of it, from what you have seen, do these satisfy business concerns about the Government's plan?

HEATHER RIDOUT: Look, I think it's good that the Opposition now has a mandate to negotiate and an agenda to negotiate around, and business welcomes that. They need to have a loud voice in this debate.

I think also that they have picked up a lot of the issues that have been on businesses minds, and then exercising our worries about this whole area, and particularly in the trade-exposed industry area, which of course are the industries that are going to bear a huge cost with the introduction of the emissions trading scheme.

So that's positive. I think the food industry will be particularly pleased. But there's still a lot of question marks that have to be resolved once we can look more at the detail.

FRAN KELLY: The Coalition's offer for the trade-exposed industries is very generous on the face of it. It gives all trade-exposed industries permits, 94.6 per cent free permits for a number of years, and then 90 per cent holds that level until, you know, competing countries also put some kind of emissions trading scheme in place. That is much more generous than the Government's scheme.

In your view, does it need to be quite that generous?

HEATHER RIDOUT: Look I think we need to have reasonable arrangements in place for trade-exposed industries. We're putting a very, very high cost on those



industries which is not borne by their competitors in other countries.

Now, companies can only do so much to reduce emissions. They need money to invest in the technology that is required to reduce those emissions. At the moment it's a very, very tough equation.

Those companies of course employ a lot of people, not only in the cities but in the regions of Australia. So we have been urging the Opposition and the Government to have a really good, hard look at these areas.

Now, once the rest of the world comes onboard, we don't need to have the same levels of assistance to trade-exposed industries. But if we put a price on our steel industry that's not borne by the Chinese or the US or the European steel companies - and it won't be under current arrangements - it's going to cost investment and jobs in Australia. It's as simple as that.

FRAN KELLY:

So that 94.5 per cent free permits until 2015, that's enough of a price incentive to get business to make the structural changes to a low carbon economy?

HEATHER RIDOUT:

Well, it gives them the chance to transition to a low carbon economy. And there are a lot of technologies that can be put in place, and more being developed. And this would be very helpful in doing that.



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After 2015, it will go down to 90 per cent. If the rest of the world comes onboard, we can have a lower rate of permits for those sorts of industries. And that's, literally, the Opposition's stand, as I understand it; and it's not, for the very high emitters, there's not a lot of difference for the Government.

FRAN KELLY: Do you expect the Government will buy these amendments?

HEATHER RIDOUT: Look, I think...

FRAN KELLY: You've talked a lot, extensively to government. What do you think?

HEATHER RIDOUT: Well, it's not for me to comment what the Government will do or what the Government won't do, but we're very anxious for the Government and the Opposition to have a good negotiation. Business needs to have its voice heard in that negotiation. The Government have dealt very fairly and very decently with business throughout the process, and I think we will want to deal in the same way.

But we've got a big problem. And the fact that we have this list now from the Opposition just shows you what a difficult issue it is to deal with this, because it's very, very wide-ranging and very complex.



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FRAN KELLY:

And now the negotiation's only just beginning and the green groups are entering the debate. They're saying the Coalition's plan is a sheltered workshop for industry. I mean has the Coalition got the balance right here, or do you accept this might be a little too generous?

HEATHER RIDOUT:

Look, I think the Greens really would take Australia back to the dark ages. They would close down so many of our industries. We'd have such mass unemployment. Eventually we might emerge as a green economy, but that'll be because, you know, a lot of our cities will be levelled and we'll be, you know, growing lawns everywhere. So I think the Greens really need to take a cold shower about it.

In terms of it being too generous, the Government's package has very generous household compensation, We have to have a rigorous plan for trade-exposed industries if we want to address investment and jobs, the risks to those in Australia.

Now, the Opposition have put some ideas forward. They're certainly more generous than the Government proposals. But, at the end of the day there will be negotiation over that.



FRAN KELLY: Let's be clear here - and we're almost out of time Heather - can I just ask you to put it on the line. Do you want the Government to accept these Opposition amendments?

HEATHER RIDOUT: I want the Government to sit down with the Opposition and have a good negotiation. And there's a number of - we have to study the amendments more closely, Fran, and we'll be putting our views forward after that.

FRAN KELLY: Heather Ridout, thank you very much.

HEATHER RIDOUT: Thank you.

FRAN KELLY: Heather Ridout is the chief executive of the Australian Industry Group.

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