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PW 40/09

23 February 2009

TRANSCRIPT OF INTERVIEW WITH FRAN KELLY, ABC RADIO NATIONAL

SUBJECT: CLIMATE CHANGE, CARBON POLLUTION REDUCTION SCHEME, NATION BUILDING AND JOBS PLAN, HOUSEHOLD ENERGY EFFICIENCY MEASURES E & O E – PROOF ONLY

JOURNALIST: Climate Change Minister Penny Wong has been listening in to Andrew Robb. She joins us now. Minister, good morning.

WONG: Good morning Fran.

JOURNALIST: Well Andrew Robb says the Government's climate change policy is deeply flawed, it will damage business and he also makes the point there are deep splits in Cabinet over the policy and that your policy is a dog. What is your reaction to this?

WONG: Well look, Mr Robb says that, and I took notes here. He says look, our targets are too small – but they'll also export jobs. Then he says, in the next breath, he's going to put in place a larger emissions reduction target. You only need to repeat what he said to see how extraordinary it is...

JOURNALIST: But there's more than one way to skin a cat. I mean his point is, the Coalition's point seems to be that you can get reductions in carbon emissions targets, but the way you are going for it, just within an ETS, will cost business too much.

WONG: Two points about that Fran. The first is: we have always said we have to have other policies alongside an ETS and the Government, in the Nation Building and Jobs package, put in place the largest investment in the nation's history into energy efficiency – just under \$4 billion for insulation and other energy efficiency approaches within homes.

But the reality is that if you are serious about turning this economy around from the highest, one of the highest and most carbon-intensive economies in the world, one of the most highly carbon-intensive economies in the world, to a low-pollution economy, you have to do the hard economic reform that the, that an emissions trading scheme provides. You have to put a price on carbon.

And the fact is Mr Turnbull knows this. It's what he said himself when he was Minister and even as recently as when he became Leader of the Opposition, that you have to put a price on carbon. The only reason he's walking away from it now is because of the deep divisions within the Liberal Party and the Coalition, many of whom simply do not want to take action on climate change.

JOURNALIST: Isn't it also fair to say that the landscape has changed? The global financial crisis means the ball-game has really changed. Business is now united in its call for the Government to consider what they call a soft start or a dry run on any kind of carbon emissions trading scheme. Will you consider a slower start given the change in the global economic climate?

WONG: We were very conscious Fran, when we were designing the scheme, of the current economic conditions...

JOURNALIST: Well things have got a lot worse since then.

WONG: But we have put in place very substantial assistance to business, very substantial assistance measures in the White Paper, which will be translated into legislation.

Now obviously, these are issues that will no doubt be canvassed before the Senate. But I think it's important to us to remember that the longer we delay on climate change, the longer we have uncertainty, the more it will cost Australian business and the more it will cost Australian jobs.

JOURNALIST: What about the Coalition's pitch though which is, and business says this: go slow, don't delay, introduce it, go slow on an emissions trading scheme is what business says - but also ramp up trying to get emissions reductions in other areas, diversify, a suite of measures is what Andrew Robb says... What's wrong with that idea?

WONG: Well, can I say first, as I just pointed out to you, we have a range of other measures. The first was the largest investment in energy efficiency in the country's history, which will reduce emissions.

But can I just give you an example of why what Mr Turnbull and Mr Robb are saying simply doesn't add up. In January, Mr Turnbull gave a speech where he asserted he could get 150 megatonnes of reduction in emissions by 2020 through things such as reforestation and biochar and other matters. Now if you were going to do that through forests, Mr Turnbull would have to plant half the area of Tasmania, every year for 10 years to 2020, to achieve that level of abatement.

So that just gives you an example of how much of what Mr Turnbull is talking about is nothing more than a mirage. And it's a mirage that is designed to deal with the internal problems within the Coalition, many of whom do not want to take action on climate change, and therefore oppose the introduction of a carbon price. And the reality in this is that Mr Turnbull's policies do not stack up.

JOURNALIST: Can I just ask you very briefly Minister – we've only got 40 seconds or so left – but the point from the Australia Institute that the emissions trading scheme doesn't really take into account or encourage individuals to cut emissions. Because if we do, if we cut our emissions in our homes, it just gives more leeway for industry to emit more.

WONG: It gives the Government the ability to reduce the target more ambitiously. So the reality is voluntary action does assist, it means that the whole-of-economy-wide target, our national target, can continue to be reduced and can be reduced more ambitiously. So I think it is inaccurate to say we don't want people to take action. Of course we do – that's why we're putting as I said nearly \$4 billion into energy efficiency into Australian homes.

JOURNALIST: Penny Wong, thank you very much for joining us.

WONG: Good to speak with you.

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