



MEDIA RELEASE

Senator the Hon Penny Wong

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SUBJECT: FORESTRY CONFERENCE, CARBON POLLUTION REDUCTION SCHEME, NUCLEAR POWER

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WONG: It's a pleasure to be here today talking to the forest industry about the Government's Carbon Pollution Reduction Scheme. As we have said this is a whole-of-economy reform, and what is being asked of all parts of the Australian community is to take responsibility for the challenge of climate change. That means that industries and individuals as well as government need to take responsibility to make a contribution to reducing Australia's greenhouse gas emissions.

It is good to be here today to speak to the industry and of course, as the Government has said, we will continue to consult with these industries and all industries and the community on our Green Paper. The Carbon Pollution Reduction Scheme is a very large reform, a whole-of-economy reform that seeks to meet the challenge of climate change. It does require a great deal of consultation and we are very pleased to be going through that with various parts of industry and the community.

Can I turn now to today's reports which appear to suggest that the Coalition is returning to form when it comes to nuclear power. What we are seeing yet again is Coalition frontbenchers, Opposition frontbenchers resurrecting the nuclear argument, resurrecting their plan for 25 nuclear reactors in Australia. Something they did not tell the Australian people before the election. Something they flagged in government but then walked away from when they saw that the Australian people are opposed to nuclear power. Mr Nelson and the Coalition needs to come clean: are they really saying that they have a plan for 25 nuclear reactors in Australia? Where are they going to put them? They should come clean with the Australian people about their plans for nuclear power.

Happy to take questions.

JOURNALIST: We are at the forestry conference today. If you chat to people here they are talking about the industry's carbon sink [inaudible]. Will there be some recognition from the Government of that?

WONG: As you probably know the Green Paper – the Government's proposed Carbon Pollution Reduction Scheme which we put out in July for consultation – does recognise the importance of forestry. It does recognise the importance of carbon sinks. That is why we are proposing a voluntary opt-in for forestry that enables forestry to opt in to the system and to generate a unit within the Government's scheme. This will provide a credible financial incentive to establish forest sinks within the scheme. So we are happy to consult with the industry but the Government has clearly in its proposals recognised the importance of forestry and forest sinks as a contributor to reducing Australia's greenhouse gas emissions.

JOURNALIST: What about incentives to decrease deforestation? [inaudible].

WONG: We recognise that deforestation is a very substantial contributor worldwide to global emissions. We do also recognise in Australia that the vegetation management including by the States over years and forest management practices have substantially reduced deforestation emissions in Australia. We will continue to push internationally for the recognition of reduction in deforestation and forest degradation to be part of the international agreement. What is important here is that we create the incentives for investors to invest in forestry, to invest in forest sinks. We need the carbon markets to provide the incentives which reduce deforestation and increase forest sinks. So domestically and internationally that is the focus of the Government.

JOURNALIST: And what kind of incentives could we be offering our neighbours for example to stop deforestation?

WONG: These are some of the issues that the Government's international agenda encompasses and I went through some of those today. The first thing we need to do is increase the carbon accounting capacity, because the market won't invest unless it has a credible product to invest in. And we need to help build the capacity in our neighbours to develop those robust credible frameworks for forestry, so that when investors in the carbon market purchase a unit, an off-setting unit, they know that it is credible. What we have to remember is the scale of the challenge. What is important here is what governments have to do is to set up the systems so that the carbon markets over time can drive the investment and secure an environmental and an economic benefit for developing countries – to give them a financial incentive to reduce deforestation and reduce forest degradation.

JOURNALIST: We all know that climate change is such a significant problem. Isn't the risk so big that it would warrant trying nuclear?

WONG: My view and the Government's view is very clear on this. Australia has an abundance of renewable energy sources. We have a lot of solar, we have a lot of wind, we have geothermal resources, and we have a lot of work to do as a nation to develop even further the technologies that will enable us to tap those. What we need to be doing is to be investing in renewable energy, to tap into that abundance of renewable resources that we have. We don't believe it is appropriate for Australia to go down the nuclear path; we made that clear before the election. The question for the Opposition, for Mr Nelson and the Opposition is whether they are going to front up to the Australian people and tell them what their nuclear plans are.

JOURNALIST: The Government's mandatory renewable energy target. The Australian Industry Group says while we have an emissions trading scheme it won't work with the target. What is your response to that?

WONG: I noticed today in the Financial Review there is also commentary from other parts of industry who are urging the Government to press forward with the targets. On any area of public policy there are going to be a range of views. I want to make one thing very clear though. The renewable energy target – the increasing of the proportion of Australia's energy that comes from renewable sources to 20 per cent by 2020 – was a very clear election commitment to the Australian people by the Rudd Labor Government and it is a commitment we will be meeting. We are very happy to consult with industry about the technicalities. We put out a consultation paper last month and we look forward to continuing to consult with the industries about the shape of that renewable target. But we do remain committed to ensuring that 20 per cent of Australia's energy comes from renewable sources by 2020, and this goes back to the question your colleague asked. We do believe in this country that it is important for the Government to provide incentives to the market to invest in renewable energy so that future generations of Australians do have a range of clean energy options available to them.

JOURNALIST: The gas industry is concerned that with the target there might be a lot more emphasis on people opting for renewable energy, maybe turning away from coal and gas.

WONG: As I said there are always going to be a range of views from industry about these sorts of policy matters. We are happy to consult, but we did have a very clear election commitment on this issue – 20 per cent renewable energy by 2020.

JOURNALIST: Would the pulp and paper industry be considered as an emissions-intensive trade-exposed industry?

WONG: In the Green Paper; we put out a range of measures to assist industry with the transition to a lower carbon economy. We recognise that we have to provide this range of assistance. We have included the Climate Change Action Fund as an assistance measure. We have also put out proposed thresholds for assistance for free permits. We will be consulting with this industry as with others as to the appropriateness of those thresholds. The only thing I would emphasise is that the Government does have to strike the right balance across the whole of the economy and that the more we shield one or other sectors, the more other parts of the economy have to work to reduce emissions. I have said that consistently, we have to strike the right balance but we will continue to consult with this industry as with others as to the appropriateness of what the Government has proposed in the Green Paper.

JOURNALIST: So you can't yet say whether there will be any assistance for the pulp and paper industry?

WONG: What I said is that we put out very clearly two thresholds of assistance and a range of other measures. We will consult with this industry and others, prior to the development and announcement of the White Paper. The whole purpose of having a Green Paper is because we do want detailed consultation with the community on these issues.

JOURNALIST: Is there any view in Cabinet to perhaps re-balance staff levels in view of work load?

WONG: I am not sure I am going to be telling you about Cabinet discussions.

JOURNALIST: With the coal capture and storage, the Greens have said that it should not be up to the taxpayers to foot the bill. It should be up to the coal industry. What is your response to that?

WONG: The Government recognises the reality of Australia current energy mix. If we are going to tackle climate change we have to deal with the facts, and the facts are that the majority – in excess of 75% – of Australia's baseload currently comes from coal. In addition, globally coal remains a very significant, important energy product, energy supply for most of the, or much of the world. The fact is: we do need to find a lower emission solution to coal. Whatever that might be, we need to do that if we are going to tackle climate change. We need to do that for Australia and we need to do that for the globe. There is a very strong public interest in ensuring that Australia invests in research and technology when it comes to cleaner coal options. There is a very strong public interest for that. It does not mean that you don't also invest in renewables, and we have already had a discussion today about the importance of the various renewable energy targets and investment in renewable energy.

JOURNALIST: So the bill should rest with the public rather than the coal industry itself?

WONG: What I am saying is that there is a public interest benefit in investing in research and development for cleaner energy solutions, whether they be renewable or coal. Obviously I understand that the coal industry has already made some investments in this area, but there is a strong public interest in it. If we don't have a solution on coal, then the world does not currently have the tools to realistically tackle climate change. We have to find a solution when it comes to coal-fired power generation.

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