



# TRANSCRIPT

## Senator the Hon Penny Wong

*Minister for Climate Change and Water*

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PW 47/10

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### TRANSCRIPT OF INTERVIEW – PARLIAMENT HOUSE, CANBERRA

#### **SUBJECT: ENHANCED RENEWABLE ENERGY TARGET, CARBON POLLUTION REDUCTION SCHEME, NUCLEAR ENERGY, INSULATION, WATER BUYBACKS**

#### **E & O E – PROOF ONLY**

**WONG:** Today Greg and I are announcing changes to the Renewable Energy Target scheme that will deliver more clean energy jobs, more renewable energy and provide certainty to both large-scale and small-scale renewable energy providers.

So these are enhancements to the Renewable Energy Target that we have considered carefully, that will deliver certainty for large-scale projects and also to small-scale renewables that Australian households want and will deliver more renewable energy.

We anticipate under these changes that we will in fact exceed our 20 per cent target by 2020 which of course is already a four-fold increase in the amount of renewable energy this country will use. These are changes that are about improving certainty, enhancing the Renewable Energy Target and delivering more renewable energy and more clean energy jobs. Happy to take questions.

**JOURNALIST:** What are the enhancements?

**WONG:** What we're doing is we're creating a two-part target. So for one part, we will have the Large-scale Renewable Energy Target. This will deliver certainty to the large-scale sector. In addition, we will have the Small-scale Renewable Energy Scheme which will cover small-scale technologies whereby Renewable Energy Certificates will be given a fixed price of \$40.

The large-scale target will be around 41 thousand GW hours. What that will deliver is certainty to the large-scale market. At the same time we will have an uncapped fixed price scheme for the small-scale market.

So the logic behind these changes is this. We have two objectives under the Renewable Energy Target. One is to provide Australian households with the assistance to do the right thing in their own homes: to put solar panels on their roof, to have solar hot water heaters and the like. But we also need to give the certainty to the large-scale sector. These changes today will do that because what we also need is investment in wind farms, in large-scale solar projects, large-scale clean energy projects to ensure we deliver our target.

**JOURNALIST:** So is there a fixed price for the large-scale as well?

**WONG:** No, there won't be a fixed price for the large-scale. What we will do will be to specify that under that Scheme, the target can only be met by large-scale renewable energy investments. So the benefit of this is that we are being very clear with the large-scale sector - this target has to be met by you from your investments. That gives that market the investment certainty they want to drive the investments that the nation needs in clean energy jobs.

**JOURNALIST:** How much will having a fixed price in the lower, small sector cost?

**WONG:** We anticipate on the modelling we've done to date that the energy - the increased electricity costs - will be around \$3 to \$4 a year on average for the household as a result of these changes. And what will that deliver? That will deliver certainty for the large-scale sector and certainty also for the small-scale renewables that Australians have demonstrated that they want.

**JOURNALIST:** And how much will it cost the taxpayer?

**WONG:** This is a market mechanism. Remember, the Renewable Energy Target is a market mechanism. Just as this Government supports a market mechanism to reduce emissions, we also support a market mechanism in the Renewable Energy Target because we believe they are the cheapest and most cost effective way to tackle climate change.

**JOURNALIST:** How much may that 20 per cent target be exceeded by?

**WONG:** That will depend on the extent to which Australians continue to put solar panels on their roofs, to invest in solar hot water services and the like. But the important thing here is because that is uncapped, because that is a fixed price, that not only gives certainty to the consumer and also to the producer and the installer, it also means we're likely to exceed our target.

**JOURNALIST:** When will you be putting the CPRS to the vote in the Senate?

**WONG:** Well you might recall that, in fact, the Opposition - despite Mr Abbott being pretty hairy-chested about bringing it on - the Opposition has done all they can to avoid having a vote on the CPRS and to avoid having the debate. We've seen in the last week the Opposition doing again what they did last year which was to play procedural games so we didn't debate the CPRS. They did that again this week. They've now ensured - with the support of Senator Fielding - that we can't bring this vote on until the May sittings. They also attempted last night to refer the CPRS off for another inquiry, which will be the fifteenth inquiry since the Government took office into climate change and CPRS matters.

In addition, the irony of is that Senator Abetz was in fact moving to have an inquiry into the very amendments that went to his party room and were endorsed. They're the very amendments that went to his own party room, were discussed and debated for quite a number of hours - you might recall - and endorsed. I think what this demonstrates is that the Opposition will do anything to avoid taking action on climate change.

**JOURNALIST:** Given that you can't get a double dissolution trigger now on your modified scheme, will you exercise the double dissolution trigger on the first scheme?

**WONG:** Dennis, there's a lot of talk about those issues. I think that the Prime Minister has made his views clear. He has said that it's his expectation that governments should serve their full term. I've certainly got nothing to add to what he said.

**JOURNALIST:** Just on the market price in relation to your changes - do you think this will help support the price on carbon in the market?

**WONG:** Look these are good changes, these are changes which will drive more investment in renewable energy, more clean energy jobs and provide certainty to both parts of the industry. But if you're serious about transforming your economy in the years ahead to tackle climate change, you

have to have a price on carbon. That's why we're clear about the need for a Carbon Pollution Reduction Scheme.

Let's remember, even with the Renewable Energy Target, Australia's carbon pollution will continue to rise. That's what the modelling shows. We need both these policies. What we've done today is to give greater certainty both to the large-scale investors but also to the small-scale producers and installers.

**JOURNALIST:** Do you think there should be a debate about nuclear energy, as suggested by Peter Cosgrove last night?

**WONG:** Well I've seen Mr Abbott's comments on nuclear energy...

**JOURNALIST:** In response to Mr Cosgrove.

**WONG:** Well and what I'd say about that is this. We're out here working hard with the industry to deliver more clean energy for Australia. Mr Abbott is making it clear he wants nuclear energy for Australia. The Government's view is very clear. We want more clean energy jobs. And we want renewable energy to grow in this country. That's the way of the future. Mr Abbott is locked into a debate about nuclear energy.

**JOURNALIST:** Are you disappointed about the home roofing insulation scheme not reaching the target on estimated greenhouse gas emissions?

**WONG:** We know that to tackle climate change we need to change the way we do business. The problem with the Opposition's policy is it's business as usual, which we know is what got us here. And there are a lot of policies we need to put in place. Insulation and other energy efficiency measures are an important part of that. They're about reducing how much energy we use. They've always been part of the solution. But on their own, obviously they won't do everything. We'll always need more. And that's why we need a Carbon Pollution Reduction Scheme.

**JOURNALIST:** If I could just ask a question about water buybacks. The Federal Government is seen as setting the price for water for such a major player in the market. A water broker in Victoria says the Government paid \$300 less per mega litre for Victorian high security water in this round of buybacks. What's your view on that in terms of the Federal Government making such a big impact on prices?

**WONG:** My view about that is this. That we are purchasing water - which is the right thing to do - not supported by many of the Opposition. We know that some of them are vehemently opposed to water purchase which is the best way to return water to our rivers. In terms of price, the Government pays a price that we believe is appropriate. And that's a judgment made in terms of what the market price is, what is value for money for taxpayers, and the sort of water entitlement that we're seeking to buy.

**ENDS**