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**THE HON JOHN ANDERSON AO
INTERVIEW, THE ALAN JONES BREAKFAST SHOW**

TRANSCRIPT

SUBJECTS: Emissions Policy, Release of the Fisher Report

E&OE

JONES: I don't know how many times I have spoken on this programme about what I call the global warming hoax and the massive cost that we are bearing as a consequence of this. But at the end of the day it doesn't really much matter whether it's a hoax or not, what matters is where this ideological preoccupation is taking the national economy via a completely irresponsible energy policy. High energy costs can cripple business and individuals. And will, or are.

I mentioned already the number of people in Australia numbering tens of thousands who can't pay their electricity bill. And tens of thousands who've had their electricity cut off. We have the fourth highest electricity prices in the world, yet we're one of the world's richest countries in terms of energy resources. Make no mistake, high energy costs can and will cripple food manufacturing operations such as abattoirs, milk processing, processed food plants. The things that appear right now at this hour on our breakfast table. Every morning, milk, wheat bix, bread.

Or the dining room table, or the windows, or the air con. The car you get in, they've got to be there a high energy component. Energy in terms of manufacturing is the life blood of many regional cities and towns. It's critical for their viability. The Australia competition consumer commission last year identified that there were too few electricity producers producing too little base load energy. That's stuff that's there all the time.

I made the point last week that at 8 o'clock on any morning, but I said it was Wednesday, Sydney coal was producing 97% of the electricity that Sydney-siders were using. We are facing, and this is not alarmist talk, a left-wing attack on both capitalism and coal. The director of the Copenhagen Consensus Centre Bureau in Lumborg has argued and no one seems to take note, that solar and wind provide less than 1% of the world's energy. That requires subsidies of 129 billion annually.

Recent research shows that even abiding by the powers agreement will cost Australia \$52 billion. Around the world climate change is now a low priority. Energy poverty and electricity cost enjoy greater emphasis. But as we saw these protests last Friday, there is a rancid demonstration of a profound ignorance of reality. Recently I talked about the work of the independent researcher Dr. Brian Fisher, who's worked for governments of both persuasions and his final report which is forecasting that Labor's policies in particular, this is federally, a mile in front of the polls, will result in the closure of nine of Australia's 17 existing coal fired power stations.

He found that Labor's energy policies would double electricity prices. Cost workers \$9,000 a year in reduced wages, and wipe \$472 billion from Australia's economy by 2030. \$472 thousand million dollars. I've said many times, the economic suicide note is being written. John Anderson's a former

deputy prime minister of this country to John Howard, a former national party leader. On the last occasion I spoke to John I said, and I should say it again, he and I have had some agreements in the past. But I also strive to give credit where it's due. And John Anderson is emerging as a very significant national figure in this battle of ideas.

He's chairman of the Page Research Centre, dedicated to rural and regional policy. He's worked with Dr. Brian Fisher in the past, and regards him as a world leader in the modelling work he does and would defend him against anyone critical of his work. We're not here to talk about climate change deniers or climate change supporters. What John Anderson is saying is that climate policy and significant emission reductions programmes are economically transformative. And we have to approach this issue, his words, with the utmost responsibility or the consequences could be dreadful.

Today the modelling report by Dr. Brian Fisher on the economic consequences of Australia meeting its 2030 greenhouse gas emission abatement targets, the Dr. Fisher report will be released. He's the managing director of BA Economics Propriety Limited. He's been involved in climate policy research since 1992, and has participated as a lead or convening lead author in three IPCC climate assessments. I'm not talking to him today, I'm talking to John Anderson, who is the chairman of the Page Research Centre, named after another former great Australian national party or country party leader, Sir Earl Page.

John Anderson's on the line, John good morning.

ANDERSON: Good to be with you.

JONES: Thank you for your time, I think the point you're trying to make is this is pretty serious stuff from an economic perspective.

ANDERSON: Well it is. See, you had massive turmoil in Australian politics. And you're almost sure it's broken, you're had revolving door prime ministership and so forth. And much of it's been related to energy policy. And I would in turn shoot that back to the fact that we've had this terrible lack of transparency about climate policy. Politicians and leaders not being prepared to say the simple truth, carbon abatement is not free. It's expensive. The more you do, the faster you do it, the more expensive it is.

JONES: Stop. Please say that again.

ANDERSON: Carbon abatement is expensive. It has a price tag, the more you do, the more quickly you do it, the more you get in front of technology, and the rights for renewables, the more expensive it will be.

JONES: And that expense is spelt out in Dr. Fisher's report where he talks about the economic impact on GDP, on jobs, on wages, and of course on electricity prices. And, the effect on different sectors of the economy.

ANDERSON: Well, that's right. Now there's a couple points to make here. We are in great danger, Allan, of doing three things in my view. The first is smashing the economy and jobs in a very serious way. The second is, dividing ourselves. I am deeply concerned about the way in which many

Australians, not a lot, but too many let's put it that way, seem to be prepared to virtually signal and say, we are going to be the world leaders on this. We're gonna get right out in front, it doesn't matter what it does to the economy, we'll fix emissions with another Australian's job. That's very divisive. That's Brexit style stuff. That's not showing enough respect for the people who are expected to make all the adjustments.

And the third thing is, here's the ultimate irony. We're gonna end up creating a worse problem globally. Doesn't matter in one sense so much what Australia emits, we're only 1.15% of global emissions. But if we're not careful with some of our heavy industries and so forth at this rate we're gonna push them offshore. And the tonne of aluminium produced in a place like China, produces twice the carbon it does here. So we really could end up with a sort of trifecta of own goals which would be very damaging.

JONES: I can believe what you're saying, but I just can't understand how we've got here. I'm almost speechless. I mean you're a former deputy prime minister, you've had political clout. You're making these observations. People are going to say that you're a rat bag.

ANDERSON: Well, my greater concern is that they might find ... Well they are trying to say, Brian Fisher shouldn't be this insane.

JONES: Yes.

ANDERSON: There is no better modeller in Australia. The whole government trusted him. The Kiwi government trusted him. We trusted him. He was of course part of the machinery of my department, in those days everybody listened to him, including the ABC when he spoke on agricultural matters. Eighteen years the head of ABARE. There's no better modeller in Australia and this work's been peer reviewed internationally.

Now to come back to your point about the debate, this is a much more transformative economic issue, especially if you go with Labor's policy than the GST ever was. In those days the GST was absolutely centrepiece in the election debate of 1999. And every aspect of it was teased out, argued out, refined, people knew what they were getting. We are in a situation now where in effect there's no transparency, no one's asking enough hard questions. Well they're just starting now thankfully because of this work. And you really got a situation where the Australian people are not going to be informed. They therefore can't give informed consent to what they want to do. And you will therefore have ... Let me say this very firmly.

Just a continuing chaos, because what Labor's committing to do cannot be achieved out of renewable energy. You have to go deep into other sections of the economy. Into agriculture, into transport, into plastics manufacture, into smelting. Every aspect of the economy will be affected, and there's no integrity in declaring that.

You know if you're gonna make those changes, and you're going to be a leader in an age when trust has been smashed, you have to have the courage to go to somebody who works say in a meat processing factory or a smelter, or in the dairy industry and say, I'm sorry old bloke, but decarbonizing the Australian economy is more important than your job. Now, and then explain why, and be ready for the comeback. Well so my job just goes to some other country where it'll probably produce more greenhouse.

JONES: Oh dear, Brian Fisher, this is staggering. I agree with every single syllable you've uttered, and we've been arguing it over and over again. Brian Fisher, Dr. Brian Fisher spells this out though, does he not, John Anderson, where he looks at industry sectors and he says about labour 45% they want up to 50% renewable energy. There are some of them say 100%. So he says, if you just take the labour policy that they're take into the election and if you look at the polls, then they're supposed to be in the door. Agriculture down almost 3%. Livestock down almost 3%. Fishing down almost 9%. Thermal coal down 44%. These are industries.

Mining generally down 13%. Oil refining down 17%. Chemicals, rubber, plastics down 16%. Construction down 6%. Land transport 10%. Air transport 7%. Services down 4%. I mean these are thousands and thousands of jobs. And he quantifies that does he not? He talks about under labour, there'll be 336,000 jobs lost.

ANDERSON: Well the point to take out of that more than anything else is this, it's time we recognised you cannot get the sort of numbers Labor's talking about, even if you switched off every coal fired power plant and switched to renewables. You have to go deep into other sections of the Australian economy.

JONES: That's it.

ANDERSON: Now there's two things that the labour party needs to lead their campaign on, well probably three. 'Cause they really really need 45% and 50% renewable energy. Secondly, will they allow for the Kyoto credits that we earned because we over performed on Kyoto? And thirdly, they keep saying to trade exposed sectors, oh we'll exempt you. Well there's two really important points to make about this so called claim that we will exempt trade exposed industries.

Now and the first is, you can't. So agriculture would say, no we haven't had been a direct target. But a very, I thought, thoughtful dairy farmer on the ABC the other night just said, you know the biggest problem for we as milk producers is not actually quite so much surprise at the supermarket, it's the costs, electricity costs have doubled-

JONES: That's correct.

ANDERSON: So you see, you can't insulate one section from the others.

JONES: See Dr. Fisher says, these are his words this is not John Anderson's words or Allan Jones' words, Dr. Fisher says, "Any significant reduction, any, in emissions requires sizeable economic transformation and that will result in cost regardless of the policy approach. The higher the abatement task, and the less policy flexibility that we allow to meet our targets, the higher the economic adjustment cost will be. The bigger impacts will fall on households and regions dependent on Australia's traditional export industries. But other sections like manufacturing, transport and construction will be affected."

John, who cares in Canberra?

ANDERSON: Well, you know, look I think let me show you something that might surprise you and your listeners. I actually think the biggest single issue of all in this is in fact trust. Those who advocate these policies must go and explain their intended consequences. Because if we continue this

breaking of trust between, it's the key. The key to leadership is surely character and the key to character is trust. We need a return of trust and character if our democracy is to work. But I'd say the greatest need of all is to get real about people being transparent about not only what their policies will do, but their intended consequences. They must have an intention behind this consequence. You know, behind what they're seeking to do.

Now the other thing that needs to be said here is, and is not yet in Brian's work, but there's one thing that I know that was always incredibly sensitive when we were in government and when I was on the razor gang and people were worried about where we were going to try and find savings. And we wouldn't talk about what we were doing because the minute someone broke ranks we would never have been able to keep the thing on the rails.

Under this policy the first thing that would have to go for farmers in my view, it would have to, because you've gotta go deep into transport would be the diesel fuel rebate. So that's another question that needs to be asked-

JONES: Well now listen, I've got a network commitment and I've gotta go. I will let people know where they can check you on the website, which is outstanding, and we have to talk again.

[ENDS]