



## **SENATOR THE HON ARTHUR SINODINOS AO**

Minister for Industry, Innovation and Science

### **TRANSCRIPT – ABC Radio Adelaide**

**Interviewer: David Bevan and Matthew Abraham**

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***Subjects: Visit to SA, Arrium, Electricity supply, Energy prices, Gas***

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**MATTHEW ABRAHAM:**

Senator Arthur Sinodinos joins us, Minister for Industry, Science and Innovation. Welcome to the program.

**ARTHUR SINODINOS:**

Great to be with you.

**DAVID BEVAN:**

Now, is this your first visit to South Australia as Industry Minister?

**ARTHUR SINODINOS:**

Yes, it is. It is. I'll be visiting a couple of businesses who are diversifying what they do and talking to a number of state government ministers about the future in SA and how we can all work together. I have to say I'm pretty optimistic about the future of the state. I think it's got a lot going for it and I'm keen to capitalise on those strengths.

**DAVID BEVAN:**

Where does South Australia sit in terms of your priorities, your to-do-list?

**ARTHUR SINODINOS:**

Well, in terms of my-to-do list I've got at least in the first month quite a focus on South Australia. Part of the focus has been issues around Arrium. We're getting to the business end of the process

there in terms of we've got two bidders. We're working with the State Government and with KordaMentha on working out what is the best way forward. We've also...

**MATTHEW ABRAHAM:**

[Interrupts] And how viable are those - how viable are the two bidders Minister? It's no good having two bidders if they don't have the money or the expertise.

**ARTHUR SINODINOS:**

Sure. The reason it's been short listed to them- and I can't talk too much about the process because at this stage it's pretty confidential, but I'm hoping to be able to say more in the next few weeks. But they both are in my view credible. They both indicate a commitment in the long term to Arrium and to Whyalla. I mean it's important for Whyalla itself, it's important for South Australia, nationally it's important as well that we do the right thing in Whyalla. So I'm working with Tom Koutsantonis in particular and with KordaMentha on that.

I'm also focused on the transition that we've got occurring in the auto sector. I want to get a better feel by talking to state ministers and talking to local industry about our options going forward to making sure that we're optimising our assistance, we're creating the right conditions for workers and firms to transition. We've already put a fair bit of money into this- with the state and the companies.

**DAVID BEVAN:**

Will you have to put more money into Arrium?

**ARTHUR SINODINOS:**

Well look, what we want to see is what the plans of the two short listed businesses are because we want to make sure they've got plans which sustain the plant and give it a credible competitive future. That's the important thing. We're very committed to that. The instruction I got from the Prime Minister is to make sure that we have a strong Arrium which can go into the future and give confidence to the local community.

**DAVID BEVAN:**

You're listening to Industry Minister, Minister for Science and Innovation, Senator Arthur Sinodinos who arrived in Adelaide last night. Minister, you do have- you keep saying the money's not there but there's hundreds of millions of dollars that was going to go to industry assistance, car industry assistance. We know [inaudible], in a few months time won't have any car industry in Australia. That money must be kicking around somewhere in the budget.

**ARTHUR SINODINOS:**

No, I didn't say money's not there. I mean what we're doing is monitoring what's required. That's part of the reason I'm talking to people in South Australia to get a focus on how the adjustment is going, what more needs to be done and how we do that...

**DAVID BEVAN:**

[Interrupts] Can I just put- yeah- okay, so the money will be spent here in South Australia?

**ARTHUR SINODINOS:**

To help optimise the adjustment, absolutely.

**DAVID BEVAN:**

Okay. One of the critical things in South Australia is energy. We have a crisis of energy here. I think that's been recognised. The State Government is looking at intervening in the market. Would any of that motor transformation money that you're looking at using to stabilise the economy here or energise it, go into helping pay for a state power station?

**ARTHUR SINODINOS:**

Well, we haven't been approached about helping to co-finance a state power station. It's up to the State Government to indicate what its priorities are in that regard...

**DAVID BEVAN:**

[Interrupts] Would you rule that out if they asked?

**ARTHUR SINODINOS:**

Well that would be a matter that we'd have to consider. But I think the issue would be we have to look at this on a national basis as well. And how does doing certain things in South Australia in terms of electricity supply impact on the national market? We'd have to take a national process while we've got the Finkel Review going on. We'd have to look at what are the ramifications for example in terms of the relationship between electricity supply in Victoria and South Australia...

**DAVID BEVAN:**

Well what's your reaction to Senator Xenophon's warning in the Financial Review this morning that he won't negotiate over the company tax cuts until the Government deals with the national energy crisis?

**ARTHUR SINODINOS:**

Well I agree with Nick that we've got to have a national energy plan if that's what he's getting at and that's what we're trying to put together now. That's why we've got the Finkel Review going on. I've got the CSIRO doing a low emissions road map to help inform the process of what are the best options going forward. Malcolm Turnbull is the first Prime Minister in a very long time who's actually grappling with creating a national energy plan to deal with all of this. Energy security, energy affordability while reducing greenhouse gas emissions.

**DAVID BEVAN:**

But he clearly thinks he needs to get your attention, and one way of doing that is to say well look, I'm not going to negotiate over the company tax cuts until you come to the table on a national energy plan.

**ARTHUR SINODINOS:**

Nick is very good at getting the Government's attention, let me tell you.

**DAVID BEVAN:**

Right. Well, turning to ...

**MATTHEW ABRAHAM:**

[Interrupts] As is Pauline Hanson.

**DAVID BEVAN:**

Yeah. Turning to another front page ...

**ARTHUR SINODINOS:**

[Laughs].

**DAVID BEVAN:**

... This is in The Australian. It appears that because of the confusion of power policy over the last 10 years, we're actually worse off than if we'd just accepted Julia Gillard's carbon tax. The power has gone up so much, much more than we would have if we'd just accepted her initial carbon tax.

**ARTHUR SINODINOS:**

No, what we've got is a- I disagree with that. What we've got is a situation where particularly where you look at state policies, and this is- I'm making a non-political point here. You look at New South Wales or you look at Victoria; different types of governments have all put sorts of clamps on gas exploration development. So part of what's happened is that we've got this situation where we all viewed gas as a transition fuel, but the supply of gas is being artificially constrained. And what we're doing is talking to the state governments about how we unlock that gas potential and use it as a transition fuel, which will help everybody, including South Australia.

**MATTHEW ABRAHAM:**

You spoke to Steven Marshall last night, he says- the Opposition Leader. He has a, if elected, a 10-year moratorium on unconventional gas exploration in the Southeast. Would you like to see that lifted?

**ARTHUR SINODINOS:**

Well, I want to see all artificial limitations on exploration and development lifted. In the cases where people have confirmed on a scientific basis about the implications of particular gas exploration techniques, fracking and the rest, I'm happy to talk to people about how we help to deal with those. Dr Finkel and I have been doing a lot of work on this. We've been looking at systems overseas, including in Texas, around how you create greater transparency in dealing with those sorts of issues around unconventional gas sources, as well.

**MATTHEW ABRAHAM:**

But how much blame does your government - because you've been in for several years now - take for the confusion over power policy? Because again, the submissions that have been given to this inquiry, Finkel inquiry, from the Australian Energy Council make it quite clear that the confusion over policy has meant that although the price has gone up, the market hasn't responded because they just don't trust what you in government will do next.

**ARTHUR SINODINOS:**

Malcolm- as I said before, Malcolm Turnbull is the first Prime Minister in a long time who's taken the responsibility to create the National Energy Plan to deal with exactly the sort of issues you're talking about. But that confusion is exacerbated when governments take action to artificially limit the options that are on the table in terms of potential sources of supply like gas.

**MATTHEW ABRAHAM:**

Minister, thank you.

**ARTHUR SINODINOS:**

Thank you very much. Great to be with you.

**MATTHEW ABRAHAM:**

No, we appreciate you coming on the program. Minister for Industry, Science and Innovation, Federal Minister in the Turnbull Government, and that is Senator Arthur Sinodinos here on ABC Radio Adelaide.

**[END]**