

# The Perfect “Climate Change Alibi”: Australia Abolishes the Carbon Tax Demon

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Australia’s distance from major areas of political activity acts as stifling fetter and brilliant emancipator. Its officials entertain visions of grandiose originality, finding out too late that they were derivative failures. Those on the left of the political spectrum think that somewhere in the past, its settlers were pioneers who, when they were not banishing the indigenous peoples into history, were busying themselves in a social laboratory.

The history makers in Canberra have returned, though this record promises to be dismal. Its central facet is plunder. Climate change is one of those thorny issues that marks every box of indignation you can find. It affects pleasure. It provides discomfort. Only, of course, that it does so in marginal ways. Given that Australians are the greatest polluters per capita on a global scale, this should matter less – but for the conservatives in power, the issue of instance satisfaction and obliviousness to the future matter above all else.

The environment agenda of the Abbott government is distinctly reactionary, and stupendously polemical. The Australian government has become the first in the industrial world to repeal a major tax regime on carbon. Emitters of greenhouse gas will be doing the jig and funding their lobby circuits hoping to get a similar effect in other countries. Polluters, instead of getting restrictions, will get incentives to move into the realm of “efficiency”.

Not that Australia has been a lone warrior in placing the matter of a precious economy before a neglected environment. The European system of carbon trading came in for severe treatment in 2013, given the manoeuvring of politicians over that very issue. EU Commissioner for Climate Change, Connie Hedegaard, found herself under fire over the cost for an emissions certificate per metric ton of CO<sub>2</sub>, with 4.30 Euros hardly making an impression on incentives for industry. At that price, old coal-fired power plants are actually returning to service, being cheaper to build than newer gas-powered plants.[1] But Hedegaard’s point remained valid: a Europe-wide system, rather than a piecemeal approach to reducing emissions, was indispensable.

There are numerous problems with a carbon tax, as there are with any tax. But nothing bites more into income than an involuntary burden imposed across the economy, one that adjusts behaviour and encourages a changing disposition. It works as a perverse form of revenue minimisation – you hope to pay less tax by using less energy. Energy optimisation and efficiency is encouraged. Of course, it need not necessarily work that way, given the notoriously uncharitable way energy companies work. A tax alone won’t work – “green” incentives have come with any such package.

The repeal of the tax has brought out the warriors of dedicated selfishness. The illusion of

lower living cost is advanced by such lobbies as the Australian Chamber of Commerce and Industry. Its head, Kate Carnell, claimed that, "The carbon tax was a dead weight on the Australian economy and abolishing it is a win for customers, a win for energy users and a win for business." Minerals Council of Australia chief mimicked the line, suggesting the tax was taking the edge off some mythical competitiveness. "The removal of the world's biggest carbon tax is an important step towards regaining the competitive edge that Australia lost over the last decade."

The States have also followed the line, with premiers evoking that tedious language of "wins" for households. Victorian Premier Denis Naphine called it a "relief to households and businesses across Victoria." NSW Energy Minister Anthony Roberts predicted that the average electricity bill would fall by 6 to 8 per cent. All hail the credo of the plunderer!

The failure of the carbon tax to take hold in barren Australian soil is a demonstration about who owns, and controls, the way energy is distributed to consumers. Raise the costs, bruise the users, and blame a tax which dares eat into income. Notions of competitiveness tend to be rather rich, given that there is very little competition in digging up the earth's supplies and sending it to a voracious China. The carbon tax, in other words, has become the greatest alibi for raising fees in Australian history, used by climate change deniers as the big problem in policy.

For Roger Jones, Research Fellow at the Victoria Institute of Strategic Economic Studies, the repeal constituted "the perfect storm of stupidity." And some politicians, such as South Australian premier Jay Weatherill, feel that the repeal of the tax flew in the face of stunning, and gruesome reality. "We believe that climate change is real. We believe that taking action to address climate change is essential."

What of the effects on pollution? By the government's own figures, pollution declined because of the carbon laws even as the economy and employment grew. As John Connor of the Climate Institute explained (*The Age*, Jul 17), the National Green House Gas Inventory recorded the largest decline of emissions since records started being kept. Two years of the carbon laws, according to a government report, would see a reduction of carbon by 40 million tonnes below normal rates. By 2020, Australia would have reduced pollution to below 2000 levels by 15 per cent.

A feature of the debate that the Abbot government has always ignored is the rather unscrupulous way energy companies have managed to increase costs. Removing the carbon tax will see a negligible influence in the bills Australians have to pay. Every energy company will nab their customer. But it will be the green light for the plunderer's bible, the code of misconduct that has governed this country since settlement. The Abbott government is the regime of the contemporary, rather than one for the future. It is an ill-gotten gains administration, and the consequences of its governance may well prove incalculable. Welcome to a world of "post-truth politics".

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NOTE

[ 1 ]

<http://www.spiegel.de/international/world/interview-eu-commissioner-on-the-future-of-emissions-trad>

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