

**TITLE: Abbott destroys carbon symbol but emissions issue remains**

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**PUBLICATION: Australian Financial Review**

**PUBLICATION DATE: 24/09/2013**

**LINK:**

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The carbon price has become the ultimate political symbol. But has this helped or harmed the cause for those who support it?

For many progressives this symbol was so potent that they ran a “say yes” campaign for it even before they knew what it would entail.

Regardless of the emission reduction targets or the generosity of the compensation package enshrined in the final legislation, supporters of the symbol of carbon pricing were just happy to see their team win the day.

But what if the carbon price was nothing more than an economic instrument with some capacity to help reduce greenhouse gas emissions?

Consider our approach to discouraging smoking. We rely partly on taxes, but none of the public health experts I know think that the tobacco excise performs a symbolic function.

In turn, I doubt they would have run a “say yes” campaign in support of a very small tax which compensated heavy smokers by offering them 94.5 per cent of their cigarettes tax free.

Tobacco taxes play an important role in curbing smoking, but are only part of a broad suite of policies with the same goal.

Contrary to popular belief, tobacco taxes don’t do much to get smokers to stop smoking.

What they can do is stop people, particularly young people, from taking it up. At \$22 a pack, smoking is just too expensive for most 14-year-olds.

But neither public health experts nor politicians tear each other to pieces about the symbolic value of tobacco taxes or “direct action” in the form of regulation and subsidies for alternatives such as nicotine patches. Virtually all concerned focus on the objectives of

reducing the number of people who smoke and the number of cigarettes those who do smoke consume. The only contrary voice is the tobacco companies, but even their deep pockets and expensive advertisements had no impact on the public or political support for measures to reduce smoking.

Clearly the big miners and greenhouse gas polluters have succeeded where the tobacco companies failed. They have managed to ensure that carbon pricing is seen as an important symbol, rather than simply a tool for solving a policy problem.

The strategy of parts of the environment movement clearly hasn't helped. In defending the symbolic value of the carbon price, they have inadvertently helped to broaden the opposition to it.

### **SYMBOLIC DESTRUCTION**

So where to from here? Tony Abbott is planning to rip up a perfectly useful piece of legislative architecture for purely symbolic purposes. Linking the Australian carbon price to the collapsing European price will deliver a carbon price so low that, had it been proposed back in 2007 when John Howard and Kevin Rudd both proposed an emissions trading scheme, the polluters would have jumped at it.

The real issue of concern is not the carbon price, but our greenhouse gas emission reduction targets.

If Tony Abbott really believes his direct action scheme can achieve our timid 5 per cent emission reduction targets at lower cost than a carbon price, why should the environment movement care?

One very good reason to care is the consequences of failure. Prime Minister Abbott has revealed that if direct action turns out to be dearer than he first thought, he would simply buy fewer emission reductions. That is, he would simply accept higher levels of emissions. His unwillingness to do less than he has promised should be the major concern of the environment groups, not the way he plans to do it.

The Prime Minister has spent three years telling us, with a straight face, that paying polluters to stop polluting would be cheaper than imposing a tax to discourage them from polluting. But he is now saying that if it turns out that all of the economists were right and he was wrong, he will simply renege on Australia's commitment.

The financial and diplomatic cost of ripping up the carbon price for symbolic purposes could be enormous. If that's what Abbott is determined to do then he should be judged for it. If it works, many, including me, will owe him an apology. And if it fails?

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