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TITLE: Rudd should never have tied carbon cuts to Copenhagen

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AH, Copenhagen. Never before have so many gathered for so long to achieve so little. Of course, we all know now that it was the fault of the Coalition and the Chinese, but we didn't know that before.

Kevin Rudd used to say it was rich countries that were causing climate change and that we needed to show early leadership. Australia's emissions have risen since the 2007 election and will likely rise again this year.

In 2007, the then opposition leader declared: "Mr Howard has a responsibility to act . . . on climate change. This is a challenge which goes beyond national boundaries . . . If we are to get countries like China and India to accept global targets themselves then developed countries must act . . . Australia must show leadership."

Some opposition leaders might suggest that before they became prime minister they were naive about diplomacy, especially relating to China; not Rudd. Did he mean it at the time but, now that it matters, he's lost his nerve? Or was he just saying it to distinguish himself from John Howard?

It's unlikely we'll ever know what the Prime Minister was thinking, but he was right then and is wrong now. Without the leadership Rudd once advocated, there is little chance of achieving a meaningful international agreement to reduce greenhouse gas emissions.

Diplomacy aside, it's in Australia's interests to cut emissions as quickly as possible. The advice from Nicholas Stern, Ross Garnaut and most economists is that early efforts to reduce emissions will be cheaper than delayed efforts. A stitch in time will save nine. So where should Australia start?

Even the climate sceptics should agree the first step is the abolition of the billions of dollars worth of perverse subsidies and tax loopholes that encourage the consumption of fossil fuels. When individuals buy petrol, they pay 38c a litre in fuel excise. Airlines don't. And Fringe Benefits Tax arrangements ensure that the more you drive a company car, the bigger the tax savings are.

Surely it makes sense to stop paying the polluters before we implement a polluter pays scheme.

The second thing the government needs to do is to start shutting down Australia's brown coal-fired power stations, which are among the most polluting in the world. Climate Change Minister Penny Wong likes to talk about creating a low-carbon economy but the reality is the government's Carbon Pollution Reduction Scheme will neither result in a reduction in Australia's emissions compared with today's levels or lead to a single coal-fired power station shutting down. What we should do is increase the size of the renewable energy target and start building gas-fired power stations on the sites of the existing brown-coal power stations.

Third, we should start taking energy efficiency seriously, in homes and commercial buildings.

Ever wondered why there aren't any doors on supermarket fridges and why it is so cold in the store? Coles and Woolworths know the answer; people buy more food when they are cold and when they don't have to open doors. Given that Australians threw out \$5 billion worth of food last year, perhaps redesigning retail spaces to reduce Australia's energy use wouldn't be such a bad thing.

Australia's homes are the largest in the world. Every year, we build tens of thousands of homes with black-tile roofs, vast amounts of glass facing the afternoon sun and no shade trees. Who needs shade when you can air-condition? Does anybody really believe we are doing everything we can to tackle what the Prime Minister once called the moral challenge of climate change?

Finally, we need to tackle the politically difficult task of introducing a carbon price. The spectacular divisions in the Coalition led to the failure of the government's CPRS. No serious economist disputes the need to introduce a carbon price but there is much division about the how, what, when and where, and that is just among the economists. So, rather than argue about where we should end up in 2020, why not focus on where we should start?

The CPRS legislation proposes that we begin with a fixed pollution permit price of \$10 a tonne. Wong has said while her scheme isn't perfect, something is better than nothing. She should take her own advice and introduce a carbon price; \$10 isn't enough but it's better than nothing.

The advantage of a \$10 starting price is it would raise revenue to invest in efficient technologies and send a signal to new investors that the old days are over, while not being so high that it would have a significant effect on our so called emission-intensive trade-exposed industries. (And, if those industries mounted a scare campaign, the government could always propose to refund carbon tax paid by exporters in the same way the GST is refunded on exports.)

In the past year, the government has consistently linked the need to pass the CPRS with the need to get a binding agreement at Copenhagen. Rather than focusing on the real dangers of climate change and the benefits of early action, the government chose to suggest the fate of the world's climate negotiations was in the hands of the Coalition. Now it is blaming the Coalition for blocking the domestic legislation and the Chinese for not negotiating in good faith in Copenhagen. When will it be time for the government to take some responsibility?

Rudd was right before the last election. It is in Australia's interests to reduce emissions quickly. Now is the time to stop hiding trivial domestic politics behind bad policy and get on with reducing greenhouse gas emissions.

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