



Carbon Stealth

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It has been remarked that the problem with democracy is that the people actually get what they want. In 2013, Tony Abbott won a watershed election with the largest majority in almost two decades on the basis that his government would axe the carbon tax.

In 2019, Australians rejected the radical climate policy on offer from Labor in what was their unlosable 'climate election'.

And in a survey earlier this year commissioned by the Institute of Public Affairs, 52 per cent of respondents agreed that "jobs and economic security are more important than reducing carbon emissions". Only 21 per cent disagreed.

Having twice now voted the wrong way, having rejected the narrative that climate change is humanity's greatest moral challenge, and having refused to offer up as a sacrifice the jobs and livelihoods of steel workers in Port Kembla and coal workers in North Queensland, Australians are again facing attempts to have a carbon tax forced onto them by unelected bureaucrats. The



protectionist European Union recently proposed a Carbon Border Adjustment Mechanism (CBAM), which is just a complicated name for a carbon tax.

If a CBAM were implemented, it would mean that European firms who import goods from countries that don't have a carbon tax would have to pay one at the border, according to the current European emissions trading scheme.

Some are using the proposed CBAM as a justification for reintroducing a carbon tax in Australia. The results of the past three federal elections do not matter, they insist, because we have a simple choice: either the EU collects the revenue from the CBAM, or the federal government collects the revenue from a domestic carbon tax.

This is a disingenuous argument. A CBAM would slightly increase the cost of some of the 4 per cent of Australian exports that go to the EU, worth about \$18.8 billion per year. This amounts to the EU increasing the price of goods for their citizens; something that they are certainly free to do, but which will have the greatest impact on the most vulnerable consumers.

The UK government recently killed off the idea of a carbon tax over fears it would result in huge price rises for meat, cheese and gas.

Besides, any Australian exports that are displaced will likely find other markets. The past year has shown how resilient our exporters are when faced with punitive tariffs and quotas from the likes of the Chinese Communist Party. According to Wine Australia, for example, Australian wine exports to China declined by 45 per cent in the year to June following the politically motivated imposition of tariffs on Australian wine. But our overall wine exports declined by only 10 per cent. A domestic carbon tax by contrast, would impact every single aspect of Australia's \$2 trillion economy.

Yes, it is true that if other major trading nations, such as the US, imposed its own CBAM then the impact on Australian exports could be far greater.

But this will almost certainly never happen because the US does not have, and probably never will have, a domestic carbon tax.

This is important because imposing a carbon tax on imports where there is no domestic tax would be a violation of World Trade Organisation rules.

Australians will undoubtedly be sceptical of the opportunism of those in the political class and bureaucracy who support the EU carbon border tax.

They support the EU introducing a CBAM under the guise of 'creating a level playing field' but are silent on the fact that Australia's exports to the EU already face tariffs of up to 12 per cent.

They are also silent on the massive subsidies given to European farmers under the common agricultural policy which spends about \$93 billion on farm assistance per year compared to Australia's \$970 million. That's over five times higher than Australian assistance measured on a per capita basis.



This is not about a level playing field It's about using the CBAM as a wedge for the main goal of the political left and the unelected bureaucrats: reintroducing a domestic carbon tax and fixing the problem of democracy.

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