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PRODUCTIVITY COMMISSION SHOWS AUSTRALIA HAS HIGH TAXES ON CARBON EMISSIONS

“Australia is incurring more costs and bringing about a more CO2 abatement than any country outside of Europe. This is the result of the study into carbon emission policies conducted by the Productivity Commission.

“Australia has a carbon price based on expensive and inefficient policies that the IPA has consistently opposed. Existing policies lead to increased electricity prices for households and threaten to undermine employment levels.

“In terms of cost as a share of GDP, Australia spends more than China Japan, the US and South Korea. Of the countries examined only Germany and the UK are more extravagant.

“Meanwhile relative to our size, Australia’s policies bring about abatement levels three times China’s, five times Japan’s, and seven times Korea’s. Australia’s relative abatement is also 50 per cent above the US level.

“And the PC was not asked to examine the carbon taxes imposed by governments of countries that compete with us. In fact, Canada, South Africa, Brazil, Indonesia, India and Middle East suppliers of fuel and raw materials have negligible abatement measures in place. Unlike those countries Australia’s exports face punitive carbon abatement costs.

“Additional measures, like a carbon tax, would make that position far worse. Such a policy would stop the economy in its tracks. Imposing a carbon tax on Australia would mean an \$800 plus imposition on the average household. And it would throw into reverse the export-oriented mineral industries that have so far insulated Australia from the economic downturn.

“If Australia introduces a carbon tax that increases every year, it will have to rise to around \$70 per tonne to achieve the government’s desired 5 per cent emissions cuts. And the Greens want it to go to at least \$100.

“The Gillard Government has been spinning the yarn that Australia is behind the world. The PC report shows that to be a lie.

“It is time to start winding back Australia’s economically destructive regulations and taxes on energy. These include Home Insulation subsidies, solar power subsidies, renewable energy subsidies, National Solar Schools, and Solar Hot Water Rebates among countless others.”

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