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RESOURCE CARBON EMISSIONS: HOW MUCH DO AUSTRALIANS WISH TO PAY? HOW MUCH ARE THEY PAYING?

On July 1 the government is implementing new carbon tax measures.

The Institute of Public Affairs commissioned a Galaxy survey to find out how much Australians would pay to avoid the costs of what the government claims will be human induced catastrophic climate change.

According to the survey conducted last week:

- Five per cent of people said they would be prepared to pay over \$1,000 per year and a total of 30 per cent were prepared to pay over \$500 per year.
- 37 per cent said they weren't prepared to pay anything.
- Reluctance to pay was highest in Queensland, Western Australia and South Australia where only 27 per cent said they would pay over \$500 per year compared with 33 per cent in Victoria and New South Wales.
- 38 per cent of households with incomes above \$70,000 per annum said they'd pay over \$500 a year compared to 21 per cent of those with incomes under \$40,000

In a survey like this many respondents may over-state their true willingness to pay.

An identical survey conducted two years ago showed, if anything, people have now become more reluctant to incur costs to reduce carbon emissions.

Currently Australians are already paying an annual \$235 per head in taxes or their equivalent to combat carbon emissions. The most important of these are:

- The renewable energy requirements, which presently costs around \$2 billion or \$100 per head. This is to rise to \$4 billion, \$200 per head by 2020.
- \$2.7 billion (\$135 per head) in government subsidies to dozens of programs that include carbon capture and storage, the Australian Solar Institute, and "clean technologies".

Added to these, under the *Clean Energy Act* the carbon tax is to raise \$8.6 billion (\$430 per head) next year. This will bring the annual payments to \$665 per person. In addition there is the *Clean Energy Fund* which is to raise \$20 billion (\$1000 per Australian) to support green energy proposals.

These measures are designed to reduce emissions by 5 per cent in 2020. But current measures are only a down payment as the government is targeting a 90 per cent reduction in carbon emissions by 2050. To meet this would require payments many times the 2012 level of \$665 per head.

Full details of the IPA survey can be found at <http://ipa.org.au/publications/2030/galaxy-poll-cost-of-climate-change-survey>

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