



21 April 2011

Committee Secretary
Select Committee on the Scrutiny of New Taxes
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

By email: newtaxes@aph.gov.au

Dear Sir/Madam

The No to Carbon Tax Protest Group takes this opportunity to raise its concerns on the negative impact that a carbon dioxide tax would have upon the Australian economy, and ultimately the cost of living of ordinary Australian's, to the Senate Select Committee on the Scrutiny of New Taxes' inquiry into Carbon Pricing.

Introduction

There is a growing anger and fear within the communities of Melbourne's west, and undoubtedly shared across the nation, that many people will be unable to meet their most basic financial commitments in regards to power, fuel and groceries under a carbon dioxide tax, and we believe that the implementation of such a tax will push millions of Australian families, already reeling under 'cost of living' pressures, to the financial brink.

This tax will affect every transaction in the economy. It is going to hurt every single Australian, and we at the No to Carbon Tax Protest Group believe that it is a democratic right of every eligible Australian to vote on such significant reform as part of any party's electoral platform, before such a significant reform is presented to the parliament.

Lack of a Mandate

We have significant issue that this tax was not presented to the Australian electorate as part of a campaign pledge during the 2010 election campaign, and as such believe that the government does not have an appropriate mandate from the Australian people to implement such a significant reform to this nation's taxation system.

Even more damning in this regard is that at multiple times during the 2010 election campaign the newly appointed Prime Minister Julia Gillard, and Treasurer Wayne Swan, promised repeatedly that there would be "no carbon tax", with the Prime Minister now infamously quoted as saying "there will be no carbon tax under a government that I lead" within hours of the 2010 federal election.

Such clear statements from senior levels of the Labor party during an election campaign should have ensured comfort to those opposed to the tax, and undoubtedly led too many Australian's casting a vote for the government on such a cast iron guarantee.

Instead the government are in fact doing the complete opposite, and despite 149 out 150 members of the House of Representatives elected on a platform of “no carbon tax”, we are now being told that we will in fact have one prior to another election being called.

This is not how a democracy should work, and it is certainly not the ideal of the Australia I grew up in, nor that created by our forefathers, and is a clear betrayal of this nation’s democratic values.

We in general, many time unfairly, expect the worst from our politician’s, and have regularly seen ‘back flips’, ‘broken promises’ which we accept as part of the rigor of politics. We as a nation can even live with politicians changing their minds. What is unacceptable is when a political party takes a policy to the electorate and then within weeks of winning office not only breaks the promise on that policy but seeks to implement what they said they would not.

This is not good enough, and is a clear breach of the faith that our constitution places within our elected representatives, and we say clearly to the government if you want to change policy, then, take it to the People. To do anything less is to treat the electorate as fools and attacks the very fabric of what has made the Australian democracy such as a success.

We challenge the government to fulfil their responsibility as elected representatives of the Australian democracy and to restore faith with the Australian people by calling an election, so the people they represent can decide on whether this tax is the best course of action for Australia to tackle its carbon dioxide emissions.

The hidden cost – Jobs

Paul Howes (Australian Workers Union) is on the record stating he does not want workers being the first victims of this tax, and his fears are well founded, as a carbon dioxide tax will cost Australian’s jobs as our industries will become uncompetitive against those many nations of the world who do put a price on carbon dioxide.

It is then a viscous cycle, as we see costs of doing business increases high emissions intensive industries move operations off shore, others cut staffing levels to mitigate costs increases, and as a result unemployment goes up, and consumer spending decreases.

As consumer spending falters more people will lose their jobs, which will place further pressure on small businesses, with thousands more closing their doors. From there, mortgage repayments cannot be met, homes lost and families torn apart.

Put simply, everybody will hurt, even the government as their tax take is cut and the costs of social services increases. And as the pressure builds they are forced to cut their assistance packages to families, as a result more jobs are lost – it will truly be viscous circle.

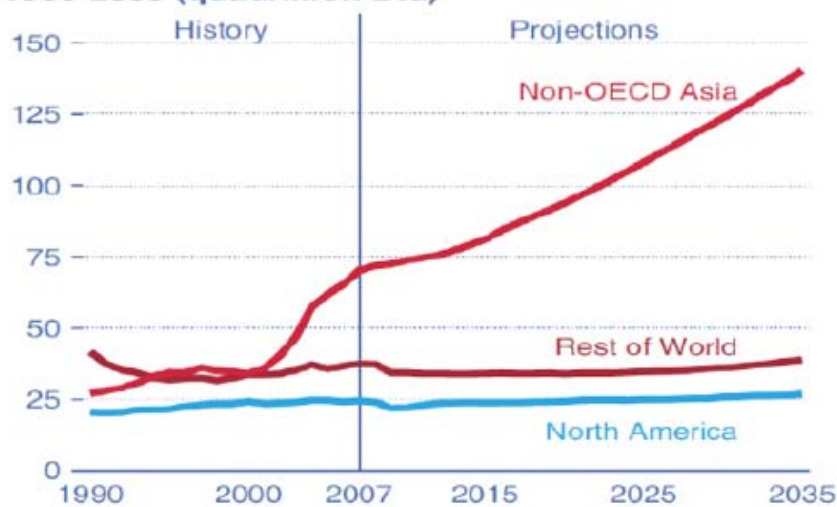
How do we know such things will occur, because we have seen it firsthand across the globe, with nations effectively bankrupting themselves in search of a ‘Greens’ style utopia. Just look at countries such as Spain, Ireland, Greece (in fact right across the EU), and then closer to home New Zealand, and we all know that California (the greenest US state) is an economic basket case. The reality is that anywhere where the cost of doing business has been artificially affected by governments, financial disaster is just around the corner.

So, to what end are we making such a sacrifice, why is it so critical to put Australian families and our jobs at risk, what is this gain that causing such pain will present to us?

On the statistics that we have seen thus far, even if we switched off every light, closed every business, dispersed the population of Australia, and moved every flatulent animal on we would, according to the IPCC save **0.015°C** and **2mm of sea level rise**.

We are also aware that whatever Australia does, China will more than eat away at whatever cuts to emissions that this country makes. In his submission under oath to the American Subcommittee on Energy and Power Committee on Energy and Commerce, dated 8 March 2011, John Christy advised that “developing countries in Asia already burn more than twice the coal that North America does, and that discrepancy will continue to expand.” (See graph from his submission below). Asia is already a major contributor to world wide emissions. Australia by comparison only contributes 1.5%.

Figure 5. World coal consumption by region, 1990-2035 (quadrillion Btu)



International Energy Outlook 2010
Energy Information Agency
<http://www.eia.doe.gov/oiia/ieo/index.html>

There has been no tangible reason given for Australia to implement this policy, as alone we will make no discernable difference to either global temperature or sea level, and our competitor's nations across Asia will take advantage of the loss of competitiveness of Australia's industry.

This policy simply makes no sense, how can we tax only our own industries which in turn forces up the cost of them doing business globally, yet allow our global competitors access to the same emission intensive fuels and natural resources carbon dioxide tax free.

At best this is policy on the run, at worst; it is a way to destroy our current high standard of living and way of life. And for absolutely no gain at all, not financially nor for the environment.

Lack of Lateral Thinking

Someone aptly put it, “We have heard a lot from the government, stating that big polluters will pay the tax, when what they should be saying is that big polluters will pass on the tax to Australian families, and it is Australian families who will bear the brunt of this - tax on everything - that will do nothing.”

The No to Carbon Tax Protest Group does not have an agenda whereby we seek to not implement action on climate change, rather we believe that world governments should be taking a more proactive approach to actually bring the price of renewable energy down, rather than increase the costs of fossil fuels, and we refer you to the research of Bjørn Lomborg in this regard:

The below quotes Bjørn Lomborg and where published 9th December 2010 in regards to his view on the EU ETS.

“Prof Tol examined this policy for the Copenhagen Consensus Center and found that it will cost [Emissions Trading] \$250bn. And what will it achieve? Standard climate models show that, by the end of this century, the EU’s approach will reduce temperature rises by approximately 0.05°C – almost too small to measure.”

“After repeated failures, we will again hear calls for Europe to toughen its carbon reduction target to 30 per cent below 1990 levels, from those who believe that this would demonstrate “leadership” on climate change. This is incredibly misguided. Prof Tol calculates this would cost roughly \$550bn a year, twice as much as the existing plans. The effect, over the next 90 years, would be to reduce temperatures by an additional one hundredth of a degree.”

“There is a better option. We will never succeed in making fossil fuels so expensive that no one wants them. The reason it costs so much to reduce emissions is that the green alternatives are not close to being ready to replace oil and other fossil fuels. Instead, we should make green energy so cheap that everyone wants it. This requires much bigger investments in green energy. Research by McGill University’s Professor Chris Green for the Copenhagen Consensus Center shows that an investment on the order of 0.2 per cent of global gross domestic product – amounting to about \$100bn – would help us create the needed breakthroughs. If we had affordable green energy sources, everyone – including China and India – would buy them, and long-term emissions would drop dramatically.”

We are supposed to be the ‘clever country’, but time and again we simply follow the world instead of forging ideas that the world embraces. Carbon pricing is not an Australian innovation and has been demonstrated to do next to nothing for the environment, so why are intending to embrace this as a legislative framework?

If you truly believe in taking effective action in regards to man-made climate change, then there is no point in Australia (and a few other places) going it alone, or for that matter in different directions, and we need a global solution that genuinely looks to reduce emissions.

The only real way of doing that, is to create alternative fuels that are cost competitive and would see solar, wind, geothermal, hydrogen, whatever, as cheap (or near enough to) fossil fuels, this would lead to zero impact on our economic prosperity as we switch to cleaner forms of energy.

To do this as Lomborg points out would take far greater investment than we see now and needs the will of all leading nations on earth to truly invest in such technologies, and if implemented properly across a global scale would provide emissions free energy for generations to come, without bankrupting nations who now rely so heavily upon fossil fuels to power their industries.

It would also ensure that third world nations are not left in the dark as the costs of power on a global scale continues to increase, putting the basic rights of these nations for access to cheap forms of power out of their reach for generations.

Conclusion

Before we as a country, implement a wide ranging fundamental change to our economy, we must first as a nation follow the basic democratic principles, and ensure that the people of this nation have the right to voice their opinion at an election.

This has not occurred, and as we have demonstrated in the above correspondence there are many views in how tackle the issue of man-made climate change, and this policy needs to be assessed by public debate, with the below key questions fundamental to whether this is the best policy in regards to this

1. How much will the carbon tax actually cost?
2. By how far will world temperature fall?

It is the view of the No to Carbon Tax Protest Group, and its many thousands of supporters across the country, that the government's policy of a carbon tax fails in delivering on these very key points, and that it will have no substantive effect upon dealing with the issue of climate change, yet it will carry a very hefty price tag for the Australian people.

Further we say that if the objective is for Australia to lead the way in reducing carbon dioxide emissions, would it then not make more sense for Australia to develop technology that actually drives the cost of renewable energy down.

The people of Melbourne west, and indeed the whole of Australia, are sitting on an economic knife edge, with 'cost of living' pressures already threatening their quality of life, and the carbon tax will drive many of these families to financial ruin.

Surely this committee can look at the failures overseas that clearly show that inflicting such pain upon these families for zero gain is pointless and begin to view this issue from a different perspective.

It is clear that carbon pricing has failed around the globe and it is time to protect this nation and embrace alternate policies that seek the same outcome that as has been espoused for a cleaner future, but does so in a way where the interests of this nation are protected.

Kind regards,

Tony Hooper
Spokesman
No Carbon Tax Protest Group