

Carbon tax parody was a policy-free Horror Movie

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TRADE Minister Craig Emerson's song-and-dance routine parodying the impact of the carbon tax on the South Australian town of Whyalla has diminished the government's attempt to sell the benefits of its carbon-pricing policy to an already disapproving public.

As polls continue to show significant opposition to their Clean Energy Future policies, ministers should listen to the sound advice of its foremost climate change expert and policy architect: Ross Garnaut. Professor Garnaut who once shared an office with Dr Emerson when they both advised prime minister Bob Hawke called for politicians to elevate the tone of debate on climate change policy. "It would be good if we could get back to some serious analysis of the underlying issues, which in the end will determine how Australians are affected," he said. We could not agree more. Although this newspaper argues that an emissions trading system is the most cost-efficient and effective way to reduce carbon emissions, while questioning the timing of such a policy, there will be significant impacts throughout the economy as the carbon price mechanism is implemented. This requires a serious, sober and informed public policy debate, not an absurd stunt such as that performed by Dr Emerson on Monday, which only insults the intelligence of the voters and detracts from the government's urgent need to win public support for this contentious area of government policy.

Dr Emerson's reworking of the Skyhooks classic song Horror Movie reinforced the opposition's claims that the government was not taking the impact of the carbon tax seriously. While the opposition has itself often been prone to shrill hyperbole regarding the impact of the tax, the government should listen to the considerable concern in the business community about the carbon price. Across the economy, many diverse industries are flagging a rise in prices as they absorb the cost of tax. Retailers Wesfarmers and Myer say their supermarkets and department stores will increase prices in coming months. Many energy retailers have foreshadowed price rises. Other industry sectors such as manufacturing and construction to transport and communications are flagging price increases as the tax is factored into their business models. While the government's generous payouts, tax cuts and pension increases will help to placate a sceptical public, there will be a price impact felt throughout the economy. As reported yesterday, the energy industry in the Latrobe Valley is warning of significant job losses with flow-on affects to communities.

While the opposition was quick to ridicule Dr Emerson's ill-judged stunt as symptomatic of the government's approach to policy, they too should heed the calls from business for more detail about how they plan to abolish the carbon tax while maintaining the government's cash handouts. They also need to provide more detail to business about their alternative "direct action" climate change policy. As the chief executive of the Australian Industry Group, Innes Wilcox, argues, business needs "details of what that something else is" in order to guide future investment decisions. Our fears of a "shallow" policy debate lacking "substance" have, unfortunately, already been realised.