

The carbon-shrinking plan that gives everyone a tax break



Technology alone won't meet our climate change challenge, write Rosalind Dixon and Richard Holden.



The economic costs of the coronavirus and impacts of drought and bushfires for 2020 are yet to be seen but will surely be high. While policy processes in managing pandemics in Australia and across the developed world are highly evolved, Australia is seen as having its head in the sand over the role of climate change and its relationship to events such as bushfires and drought.

We are seen as a policy backwater on tackling climate change, and there is a quickly growing consensus that as a nation, we need to do more to reduce our carbon emission footprint, the main cause of climate change.

Despite Prime Minister Scott Morrison telling the National Press Club that climate action would be "driven by technology, not taxation", technology alone will not be enough. Now is the right time to look again at a new carbon tax model - one that leaves taxpayers better off and puts downward pressure on emissions.

A recent UNSW survey shows that 66 per cent of Australians believe climate change is the biggest challenge facing the world today. The same survey finds most Australians also support a new carbon tax if the funds raised go to taxpayers and reduce carbon output.

Of course, the government is investing in technology designed to encourage the transition from fossil fuels to renewable energy sources. And the government has promised to meet the goal of reducing our emissions by 26-28 per cent by 2030, in line with the Paris agreement.

Most Australians are simply not convinced this is enough to meet our

moral and political obligations to future generations. This is perhaps one reason that there have been calls from across the political spectrum for a renewed attempt to find a new, bipartisan response to climate change.

On these pages, Independent MP Zali Steggall has called for a conscience vote in Parliament on the issue, and Liberal MP Dave Sharma has highlighted the importance of "cool-headed reason and the building of consensus". Australian Industry Group chief executive Innes Willox called last week for the aversion to carbon pricing to be rethought.

There is little enthusiasm among most MPs for a return to the National Energy Guarantee as the focus for this kind of bipartisan effort. Returning to a compromised compromise of a policy is not the path forward.

What, then, could possibly fill the gap - and provide a new focus for this kind of bipartisan effort? One promising path would be for Australia to adopt the kind of "carbon tax and dividend" approach proposed by the Climate Leadership Council in the United States.

The basic idea behind such a plan is simple: it would involve a tax of \$50 per metric ton on CO2 emissions, with the revenue generated from this returned, evenly, to every voting-age Australian citizen. This would represent a tax-free payment of about \$1300 for each person each year.

Border adjustments for traded goods with countries would mean that

Australian industry would not be put at a competitive disadvantage. Exports to countries without comparable schemes would receive rebates for the taxes paid, and imports from countries without such schemes would be charged fees based on the carbon content of those products.

The Australian Carbon Dividend Plan would therefore leave more than three-quarters of Australians better off financially, even if they did not change their current consumption or energy use. Lower-income households would receive a particularly large benefit relative to their existing incomes and expenditures. The average Australian household is estimated to be \$585 a year better off, while the lowest income-quintile households would be \$1305 per annum better off. This is around \$300 and \$650 an adult in such households, respectively.

Recent survey evidence again shows strong support for such a plan. When asked if they support a tax on companies that produce carbon gases specifically to encourage a reduction in emissions, 65 per cent agreed. That support, however, rose to over 73 per cent when told the tax is redistributed to taxpayers and is designed to not just lower emissions but encourage investment into technology to achieve this.

This is also exactly the kind of support that suggests the possibility of true bipartisan agreement. In increasingly polarised times, it is rare to find any issue on which three-quarters of the electorate agree. The Australian Carbon Dividend Plan is not just an economically and environmentally viable response to the challenge of climate change. The evidence suggests that it is a politically viable solution.

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'Free' evacuation won't come cheap

The planning and execution of an international evacuation operation of any type is a complex affair with significant financial and diplomatic costs. The federal government's backflip on charging \$1000 in cost recovery for Australians evacuated from Wuhan will increase these costs by creating new expectations for future support in the travelling public.

The Australian government has long had a policy that its citizens should contribute financially to the cost of any evacuation. This policy has two consequences. To some degree, it reduces the cost of international evacuations to the Australian taxpayer though, to be crystal clear, in the case of the assisted evacuation from Wuhan, \$1,000 for each person evacuated would have come nowhere near meeting the actual costs.

More importantly, the policy sends a message to Australians living and travelling overseas: you are responsible for your own security and wellbeing while travelling internationally.

There's been exceptions. In

John Coyne



2002, the Australian government evacuated many of its citizens injured in the barbaric Bali Bombing. And more recently, during the Arab Spring, Australians were evacuated from Cairo without making contributions for their evacuations.

In 2002, the number of victims in Bali and the severity of their injuries surpassed the local authorities' ability to deal with the situation. During the Arab Spring, Australians were at risk of imminent serious injury or death as a direct result of the security situation in Cairo. Neither of these conditions are the case in Wuhan.

Speak to any Australian consular official across the globe and you'll hear sad stories of Australians injured or caught up in all manner of calamities while travelling: many due to no fault of their own.

However, the reality is

Australian officials have no power to interfere in the domestic affairs of another country and can do no more than remain strong advocates to resolve the complex problems of Australians living and travelling overseas.

The less than subtle message from government to Australians travelling overseas is that they must take steps themselves to avoid and prepare for emergencies. They must heed travel warnings and they must be ready to cover the cost. Australia's Department of Foreign Affairs and Trade warns: "Australians need to cover their own emergency-related costs if they travel overseas without insurance, or if their insurance doesn't cover their planned destinations, activities or pre-existing medical conditions."

Until early yesterday, the message from Prime Minister Scott Morrison and Home Affairs Minister Peter Dutton to Australian citizens caught in Wuhan was clear: if you want assistance with your evacuation to Australia you must make a financial contribution. It was entirely consistent with previous

government policy. There is no imminent threat to the life or security of Australian citizens who comply with medical advice in Wuhan.

The loss of \$600,000 in payments from evacuees will have a negligible financial impact on the Australian government and the departments involved in the evacuation. The decision to reverse this position and provide free evacuations will, however, have impacts on the public perception of the role of the Australian government in supporting its citizens travelling internationally.

My advice to Australians travelling is not to expect that your government can evacuate you now or in the future. Second, ensure you read and monitor the government's official travel advice. Finally, if you cannot afford travel insurance, you cannot afford to travel overseas.

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The final chapter on the joy of books

Charles Purcell



Those sci-fi writers of yore got it wrong. The future will not be a boot stamping on a human face forever, as Orwell opined - rather, it will be a finger pressing down on an iPad forever. In fact, Huxley's vision for the future is far more prescient than Orwell's.

"What Orwell feared were those who would ban books," wrote Neil Postman in his similarly prescient work *Amusing Ourselves To Death*. "What Huxley feared was that there would be no reason to ban a book, for there would be no one who wanted to read one."

I thought of Huxley and Postman when I read the headline, "Sydney's new \$225 million school has 17 floors, but no library".

Eschewing the traditional library model, the school will instead have iHubs featuring digital resources and some hard-copy books.

Some might argue that a school without a dedicated library is like a pub with no beer - not fit for its designed purpose.

Yet, as Postman pointed out, we are far from the literate society of our forefathers. Our minds hollowed out by social media and the internet, we no longer have the attention spans to appreciate a three-hour speech by Lincoln.

There is no need for any future dystopian tyranny to burn books. As society's appetite for the dense and the long form and the complex declines, so too does our appetite for the physical book. Yes, we still read. Yet we read on screen. We don't immerse ourselves; we skim. Who knows how much of that information we actually retain, when our eyes are being continually drawn to new headlines and links?

Most of all, I feel sad for future generations that will not enjoy the rich and rewarding world of the physical book. They will miss the experience of tracking down hard-to-get tomes. Their breath will not catch in their throat at the idea of acquiring an early Jane Austen or the news that the new Hilary Mantel book is out next week.

They will be unable to run their fingers along the spines of a bookshelf painstakingly acquired over decades. They will never open up a book to find a pressed flower within and recall lost love. They will not understand the sensual feel of paper or the unique smell of a room full of books.

Their eyes will continue to be strained by smartphones and iPads they are unable to simply put down at the end of the evening.

A whole world of experience and ritual will be lost this way. If only someone would write a book about it all.

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