

# The Labor-Greens carbon tax hoax

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**6 July 2012**

Prime Minister Julia Gillard's carbon tax finally came into effect on July 1. The Labor government and its de facto coalition partner, the Greens, marked the occasion by again boasting of the measure's environmental and social credentials.

Greens' leader Christine Milne declared that the carbon tax "means more jobs and innovation, cleaner air and a safer climate [and] a healthier, smarter, fairer society." Gillard added that after "months of the doomsayers predicting chaos and preaching despair ... the simple facts can become clear"—including the supposed "fact" that "our carbon price will cut carbon pollution."

This is all a contemptible hoax. What has been billed as a major "progressive" environmental and social reform is in fact a regressive pro-business measure that does nothing to address the climate change crisis. The entire official "debate" surrounding the carbon tax takes on a more and more unreal character. Certain "inconvenient truths" are passed over in silence in the media—above all the fact that contrary to Gillard's claims, carbon emissions in Australia are set to *increase* under the new tax regime. According to the government's own figures, national emissions will rise from 582 million tonnes to 621 million tonnes by 2020. A nominal 5 percent reduction in emissions will be registered via the purchase of dubious carbon credits on the global market that supposedly represent emissions-reducing schemes in other countries.

The carbon tax, which is set to transition to an emissions trading scheme (ETS) in 2015, has never been an environmental policy. Instead, the Labor government advanced the scheme as part of its wider economic restructuring agenda aimed at enhancing the international competitiveness of Australian capitalism.

Gillard unveiled the carbon tax in the aftermath of the 2010 election, following the public intervention of BHP Billiton chief Marius Kloppers. The mining executive

noted that only five countries—Bosnia Herzegovina, North Korea, Estonia, Mongolia and Poland—had a more emissions-intensive energy supply than Australia. He insisted that the economy would confront a "competitive disadvantage" if left dependent on coal. The Labor government warned about the possible imposition by the European Union and other economies of "green tariffs" on Australian exports unless measures were taken to promote non-fossil fuel based energy sources.

At the same time, Gillard has promoted the opportunities that would open up for Australia's banks and financial institutions when the carbon tax transitions to an ETS in three years. Emissions trading schemes were first promoted in the US in the 1980s as a "free market" alternative to imposing regulatory restrictions on the operations of corporate polluters. The transformation of carbon into a new commodity, through the European ETS and related international mechanisms developed under the Kyoto Protocol, has generated a highly lucrative new field of operations for financial speculators.

The Labor government has sought to ensure that every section of business is protected. The coal mining giants are to get \$1.3 billion in additional subsidies and the steel producers \$300 million. Owners of Australia's coal-fired power stations are set to rake in an estimated \$5.5 billion up until 2016-17. Other energy intensive and trade-exposed industries will enjoy sweeping exemptions from the carbon tax.

Every aspect of the so-called "debate" on the carbon tax is driven by rival business interests. The Greens advance the interests of renewable energy corporations and sections of finance capital that are investing in carbon trading operations. The opposition Liberal-National coalition under Tony Abbott represents other layers of the corporate elite, including less competitive manufacturing exporters, the mining industry and other

fossil fuel connected operations. Abbott's populist posturing against the carbon tax is utterly bogus. The opposition leader is attempting to exploit the legitimate concerns of ordinary people that the carbon tax will lower their living standards, while at the same preparing to implement a savage pro-market agenda that undermines the wages and working conditions of the working class if elected into office.

The government claims to be compensating the majority of the population, including low income earners, through tax cuts and welfare payment increases. However, the shift to the ETS will involve the removal of all restrictions on how far the carbon price can rise, and therefore how high household utility and fuel bills will go. Continual hikes in living costs will exacerbate social inequality and worsen the living standards of the working class.

The climate change crisis stands as a damning indictment of the capitalist system. Climate scientists have long warned about the severe dangers of global warming, yet successive international summits of world leaders—including Bali, Indonesia in 2007, Copenhagen, Denmark in 2009, and Cancun, Mexico in 2010—have ended in farce. No binding agreement on reducing emissions has proven possible, with every government competing against the other to gain geo-strategic advantage and boost the profits of its own major corporations.

At the same time, the private ownership of the means of production stands as an insurmountable obstacle to the rational utilisation of available technologies to address global warming. The major transnational oil conglomerates and other corporate polluters actively sabotage the adoption of any environmentally beneficial measures regarded as a threat to their profits.

The only realistic perspective for addressing the climate change crisis is one based on an internationalist and socialist program. Within a democratically planned world economy—oriented toward satisfying social need, rather than maximising profit and the accumulation of private wealth—the world's scientific and technological resources can be harnessed in a rational manner. To adequately lower carbon emissions, a sweeping restructuring of energy generation, industrial and agricultural production, and urban and international transport is required, while at the same time ensuring a substantial increase in the world population's living

standards. To fight for this, the international working class must build its own revolutionary leadership in the struggle against the profit system.

My campaign in the Melbourne by-election is centrally oriented toward developing this new political leadership.

*See the SEP website for further information on the election campaign.*

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