

New OECD data busts carbon price myths

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Despite political claims to the contrary, new research from the OECD finds that 29 countries have higher 'effective' carbon prices than Australia.

The OECD publication *Taxing Energy Use: A Graphical Analysis* provides systematic statistics on energy and carbon taxation across all OECD member countries. It shows that carbon pollution from energy is taxed in every OECD country.

"This impartial analysis destroys claims that Australia's carbon price, or even taxing energy, is unique or unusual," said John Connor, CEO of The Climate Institute.

"For example only yesterday the leader of the Coalition declared 'the rest of the world was not going anywhere near carbon taxes or emission trading schemes.'¹ This is manifestly untrue. It's becoming increasingly difficult to ignore the mounting evidence that carbon pricing is both widespread and growing."

Within OECD countries, effective taxes on CO₂ from energy range from EUR 107 per tonne (\$AU 140) in Switzerland to EUR 2.80 (\$AU3.70) in Mexico. The weighted average of all OECD countries is EUR 27 (\$AU 35) per tonne.

Australia's carbon price of \$23 (EUR 18) comes in near the bottom of the list of 34 countries – well below Japan, South Korea and the UK, among many others.

Emissions trading schemes are going to start in China and South Korea, adding to existing schemes in the EU and New Zealand and those that began recently in California and Quebec. South Africa is introducing a carbon tax.

"All these countries recognise that putting a price on carbon is the most efficient way to bring pollution down."

In Australia, the electricity sector is the largest single source of carbon pollution. But thanks to the carbon price, the Renewable Energy Target and reduced demand, carbon emissions from electricity have dropped 8.6 per cent compared with the same period last year.²

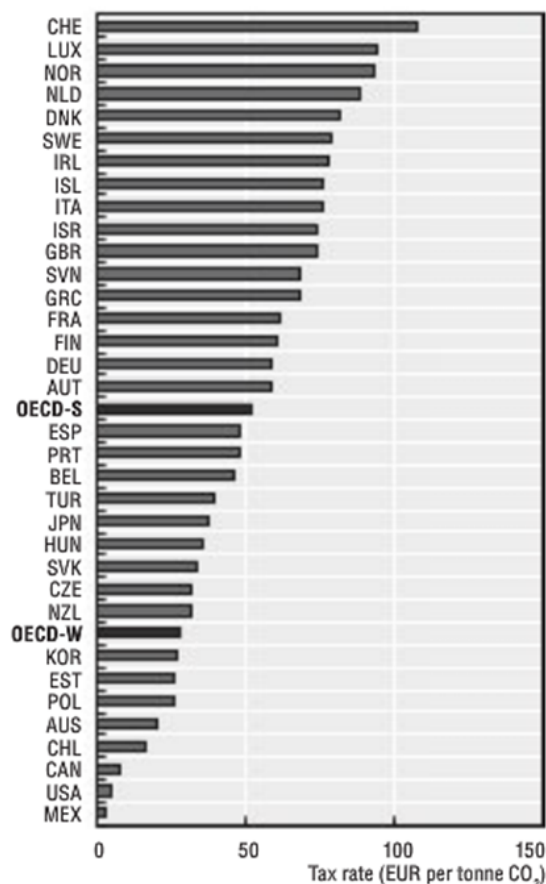
"The claims that Australia's carbon price is unique or unusual fail a basic fact check, as demonstrated by this analysis from the trusted and impartial OECD," concluded Connor.

For more information

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Average effective tax rates on CO₂ from energy



Source: *Taxing Energy Use: A Graphical Analysis*, OECD

¹ Tony Abbott, National Press Club, 31 January 2013

² David Uren, 'Emissions drop signals fall in carbon tax take', *The Australian*, 23 January 2013.