

Victoria University conference  
'The closing window – implementing effective climate policies'  
7 Sep 2011

## Effectiveness of Australia's carbon pricing policy

### Frank Jotzo

Centre for Climate Economics and Policy ([ccep.anu.edu.au](http://ccep.anu.edu.au))  
Crawford School of Economics and Government  
Australian National University

## A reasonably good policy (under the circumstances)

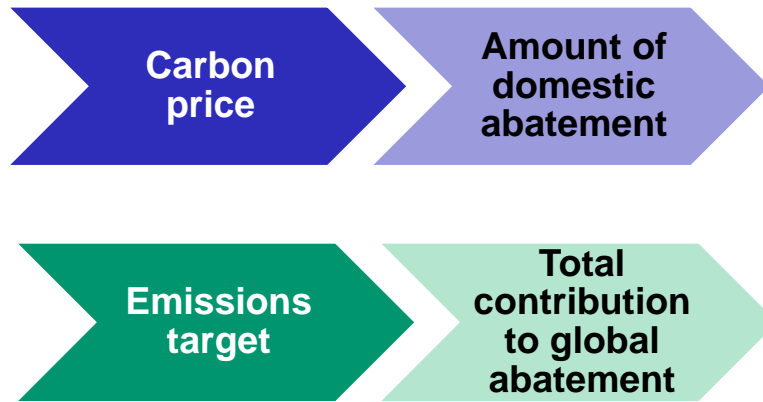
Price signal

Industry & household assistance

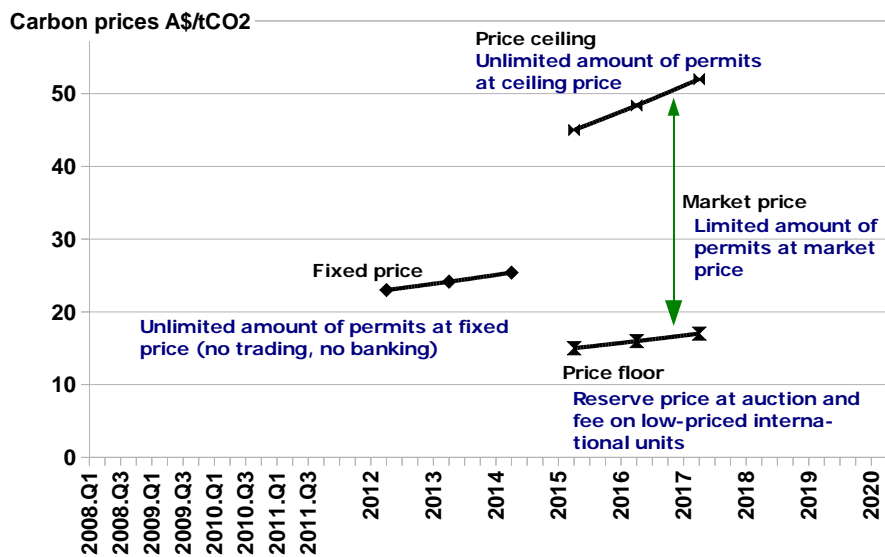
Independent institutions



## Prices and quantities

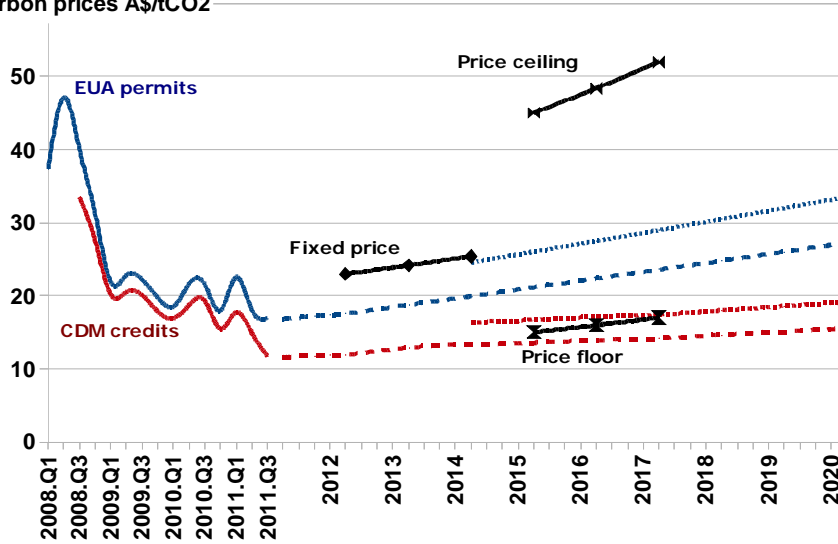


## From fixed price to market price



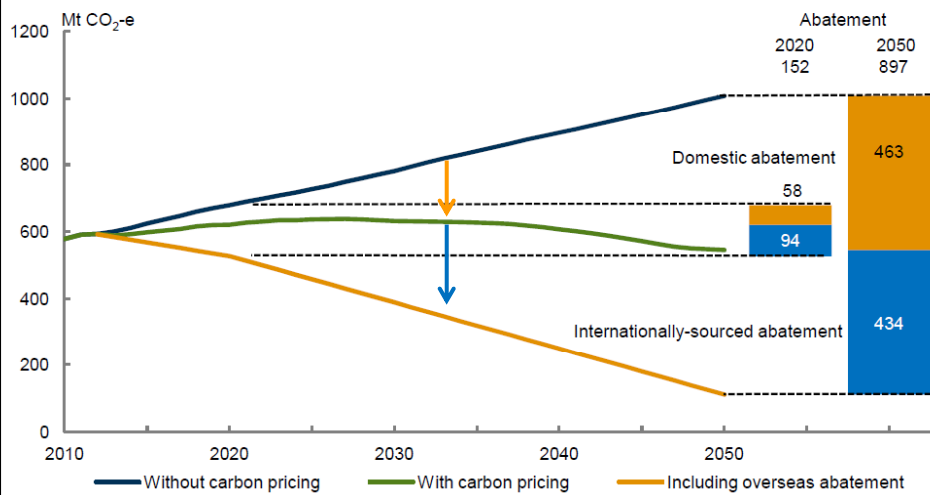
## Price levels

Carbon prices A\$/tCO<sub>2</sub>



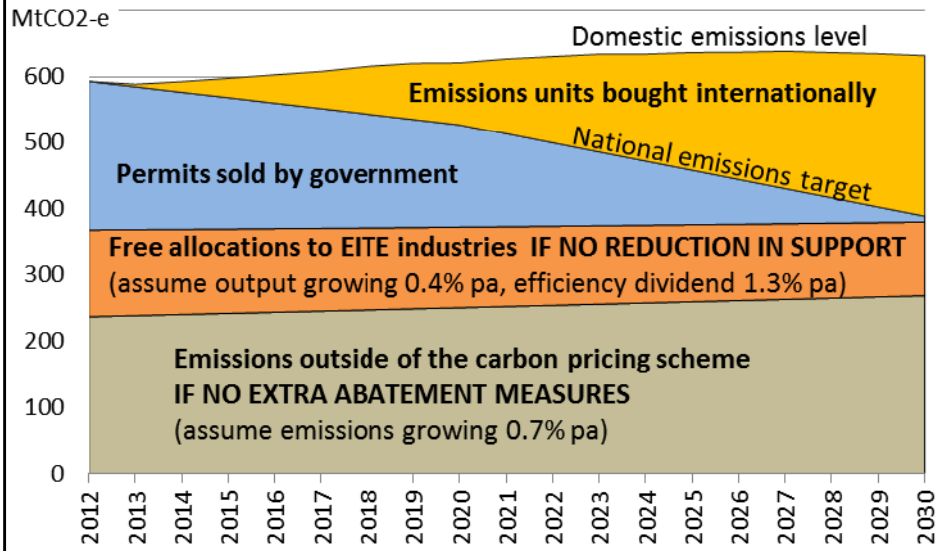
## Emissions levels

Chart 5.2: Australian emissions in the core policy scenario



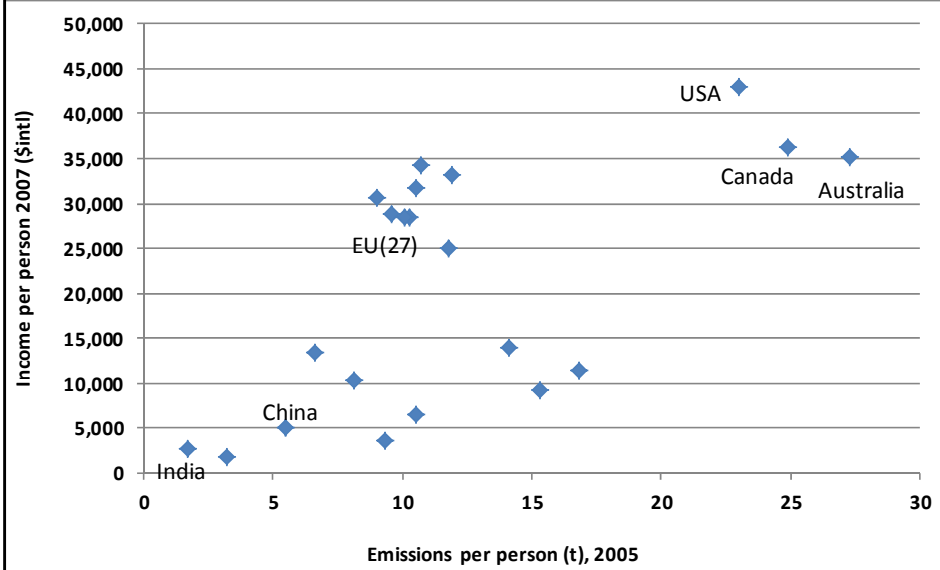
Source: Treasury 2011 "Strong growth low pollution – modelling a carbon price"

## Revenue: the need to act in non-covered sectors, and to cut back on free permits



Preliminary calculations based on data in government carbon pricing policy document and Treasury modelling

## What national target? Responsibility, capability and equity



Data source: World Resource Institute CAIT8.0 database