

A lot of (bad) environmental law news has [been coming out of Australia recently](#). The new Liberal government has attempted to [dump dredging spoils on the Great Barrier Reef](#) and [open up protected Tasmanian forests to logging](#). But most importantly, the government has [repealed the carbon tax](#) enacted by the prior Labor government.

The Australian carbon tax repeal is a cautionary tale for climate policy and politics. For climate policy, it makes clear the political risks of going straight for a carbon tax - no matter how economically efficient it might appear to be in theory. The tax was a simple and clear price signal - it also was a simple and clear political signal. It was easy for opponents [to connect the carbon tax to rising energy costs](#). The elimination of the carbon tax isn't just a political disaster. It also undermines the investments that various actors might have made in reliance on the tax (e.g., in energy efficiency or renewable energy). Those actors are probably going to be much less likely to rely upon future climate change policies in making investment decisions, since they can't be sure those won't be repealed as well. That can only undermine the efforts of any future Australian climate policies to reduce carbon emissions.

The repeal is also a cautionary tale for climate politics. I've [written about how](#) the [best](#) way to ensure lasting climate change policy is to use that policy to build a strong network of interest groups that support climate change policy. That path is what [led California voters to resist repealing California's own climate change regulatory efforts in 2010](#). So what went wrong in Australia? A lot more research is needed, but perhaps the government just went too far too fast. Australia's economy is dominated by primary extraction interests, [especially coal](#). The [major media sources are also ideologically aligned in favor of those extraction interests](#). Thus, it is essential for the long term sustainability of climate policy in Australia that countervailing interest groups be nurtured and sustained. That might mean building up solar power (which has lots of potential in Australia), hydropower, and even nuclear (lots of potential in a country with [substantial uranium resources](#)). Tools that are not directly threatening to the existing interest groups should be used - not a carbon tax that is a direct assault on those interest groups, and that is easily used as a weapon in a populist campaign. One can only hope that this setback in Australia is temporary.