**Slide 1**

* Introduce yourself and how you got involved

**Slide 2**

* Not about the science

**Slide 3 – Statement of economic consensus**

* 2600 economists, 1997, 18 Nobel prize winners
* What is a market mechanism

**Slide 4 – Low hanging fruit**

* Economics is about…
* Who considers the ecological footprint of what they buy?
* Message on GHG emissions is especially positive - disconnect
* Light bulbs
* Comparison with renewables
* Apple pie

**Slide 5 – The emissions reduction multiplier**

* Opportunities available to the economically rational

**Slide 6 – High hanging fruit**

* Renewables, and the political consequences of irrationality
* What we really want to achieve

**Slide 7 - Perfect competition – the ideal free market**

* Meaning of terms and economics justifications
* Who here has studied microeconomics?
* Ideal

**Slide 8 – Carbon taxes**

* Clear justification for intervention
* Who to tax
* Market mechanism
* No need to change attitudes or agree on the engineering
* Managing transition to renewables (if necessary)

**Slide 9 - Green Tax Shift**

* Real cost of a tax shift (no change example)
* Start with low hanging fruit – light bulb vs consumer satisfaction
* GST vs income tax offset - average affordability
* Not for subsidising renewables
* Big vs small government

**Slide 10 – Implications for international negotiations**

* Third currency – transferred
* Trust
* Payoffs
* Deliberate stalling?
* Tax is better

**Slide 11 – Implications for price stability**

* Light bulb example
* Comparison of fixed supply vs demand
* Motivation for investors and market failure due to uninformed consumers

**Slide 12 – Implications for price stability**

* Break for questions first
* Explain graph
* Average price is not the only thing that matters
* False dichotomy
* Two key questions
* Incentive to emit
* Creating a property right
* Political implications of normative impacts

**Slide 13 – More information**

<http://www.ozpolitic.com/green-tax-shift/green-tax-shift.html>

**Slide 14 – Other green taxes and economic mechanisms**

**Slide 15 – Sources of conflicting economic advice**