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MEDIA RELEASE

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Gillard less than honest about Labor's carbon tax impact

Julia Gillard has been parroting a new line that Labor's proposed tax on carbon dioxide would only be paid by about 1000 big polluters.

Small businesses are hardly part of the big 1000 polluters but they will certainly be paying a heavy price for Labor's proposed tax on carbon dioxide.

Industry, small business representatives and policy analysts rightly recognise that that impact will be felt far beyond our biggest companies, hitting all small and medium enterprises.

The Australian Chamber of Commerce and Industry rightly assess that the impact of the Government's carbon dioxide tax will be widespread and will cascade throughout the economy adding to inflationary pressures, diminishing competitiveness and reducing earnings across a large number of businesses.

Labor's carbon dioxide tax is another knife in the back of small business and will snow-ball as it builds in added costs for all businesses and households at every stage of the production process and service system where each and every item or activity that required energy or fuel in some way will cost more.

This cascading carbon tax cost will particularly harm smaller businesses and manufacturing enterprises where higher energy costs, longer supply chains and limited market power to push back on input cost increases all amount to paying a very heavy price for Labor's carbon tax.

With 300,000 jobs lost in small business since the election of Labor and continuing concerns about deteriorating trading conditions, Julia Gillard's carbon tax will make already difficult conditions even worse for small business, the engine room of the Australian economy.

For all the 'kite flying' about generous compensation and even phantom tax cuts designed to ease public concern about the cost of living increases produced by Labor's carbon tax, there has not been a mention of any kind of compensation for the small businesses that will be hurt and harmed by the Gillard Government's proposal.

Julia Gillard's 'climate change framework' announcement failed to make any mention of the harm Labor's carbon tax will cause to small business viability and ability to employ and Labor continues to ignore small business in any public statement about compensation.

Small business people have once again been left out in the cold by Labor, with spiralling costs, new taxes and no respite from the burdens of red tape, small businesses deserve a government that supports them.

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