



THE HON BRUCE BILLSON MP

Shadow Minister for Small Business,
Competition Policy and Consumer Affairs
Federal Member for Dunkley

MEDIA RELEASE

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Combet confirms small business will pay for Gillard's tax on carbon

Climate Change Minister, Greg Combet has confirmed Australian small businesses will not be compensated for cost increases incurred as a result of the Gillard government's carbon tax.

Greg Combet has told business leaders not to expect compensation to go beyond the compensation that was to be provided under the ill-fated Rudd/Gillard Carbon Pollution Reduction Scheme (CPRS).

As ACCI chief executive Peter Anderson recently said of Labor's carbon tax plan;

If anything like the 2009 Carbon Pollution Reduction Scheme (CPRS) proposal is repeated in 2011, the carve-outs combined with the failure to compensate SMEs for higher energy costs and their lack of market power in supply chains would make the gap between small and large business conditions even worse.

The Gillard government'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 once again completely ignored small business in any public statement about compensation.

On the back of the Prime Minister's emphatic statement 'there will be no carbon tax under the government I lead', almost 80 per cent of small businesses took Labor at its word and have not factored carbon pricing into their business plans.

The carbon tax compounds at each stage of a production process and service system and small businesses do not have the luxury of vertical integrated supply chains and big business market power to push back on cost increases on vital business inputs.

The Gillard government's carbon tax will cause significant cost increases, viability concerns and job losses for Australian small businesses.

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.

Media Contact: Vincent Sheehy 0417 236 109