



# Media Release

## Senator Mathias Cormann

### *Shadow Assistant Treasurer*

### *Chair – Senate Carbon Tax Inquiry*

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#### **GOVERNMENT MUST MODEL CARBON TAX IMPACT ON JOBS**

Paul Howes and the AWU must insist the Gillard government conduct proper modelling of the impact of its carbon tax on jobs this time.

“Last time Labor was flying blind when it came to the impact of its CPRS on jobs,” Shadow Assistant Treasurer Mathias Cormann said.

“Incredibly, last time the Labor government never asked Treasury to model the impact of its CPRS on jobs,” he said.

“We can only assume that was because they didn't want to know the answer.

“Treasury modelling of the CPRS undertaken at the direction of the Labor government assumed full employment would be maintained throughout the implementation of the CPRS.

“Instead of job losses, the Treasury model assumed real wages would go down over time ‘compared to the reference scenario’.

“Labor’s claims that it cares about jobs are completely disingenuous given they have never assessed the impact of their CPRS on jobs, when this was supposed to be the most comprehensive economic modelling exercise ever undertaken.

“Any Labor Party guarantee that no job would be lost cannot be trusted. Labor has never ever done their homework about the impact of a carbon price in Australia on jobs – in particular in the absence of an appropriately comprehensive global agreement on pricing carbon.

“Back in February 2009, when he appeared before the Senate Fuel and Energy Committee, Paul Howes described the Treasury modelling of the CPRS as inadequate and called for more modelling.

“The reality is Labor's carbon tax will cost jobs and the government instinctively knows it.

“That’s because Labor’s carbon tax will push up the price of everything, reduce our international competitiveness and have an impact on regional economies in particular, all that without doing anything to help reduce global emissions.

“Any serious Treasury modelling of Labor's carbon tax would expose those facts, which is why the Gillard government will resist it.

“If Paul Howes and the AWU really care about the jobs of their members and other workers across Australia they will insist the government doesn’t squib it this time. They will insist on some proper fair dinkum modelling of the carbon tax impact on jobs,” Senator Cormann said.

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