



AUSTRALIAN CHAMBER OF  
COMMERCE AND INDUSTRY

# MEDIA RELEASE

Tuesday 21 July 2009

## CPRS - BUSINESS IMPACT SIGNIFICANT

Statement by Mr Greg Evans, Acting Chief Executive

The Australian Chamber of Commerce and Industry (ACCI), Australia's largest and most representative business organisation, remains opposed to the passage of the Australian Government's Carbon Pollution Reduction Scheme (CPRS) legislation until its design and coverage takes account of its likely impact on business both large and small.

ACCI considers it is more important to get the design of the CPRS right, rather than pre-emptively introduce a flawed scheme.

ACCI's General Council at its meeting last Friday in Darwin reiterated the view that it is opposed to the design of the current CPRS on the basis that it would cost Australia jobs, cause the relocation of economic activity to other countries, and not reduce the overall level of greenhouse gases.

The Government must take account of the effect of the CPRS on small business, as evidenced by ACCI's independent study *Securing SMEs in Australia's Low Carbon Future*. SMEs are the engine room of the Australian economy, employing approximately 64 per cent of Australia's private sector labour force and producing nearly 50 per cent of Australia's domestic output.

The ACCI-commissioned study finds that SMEs, particularly those involved in manufacturing, face prices set in international markets due to import price parity. As a consequence, trade-exposed SMEs have limited opportunities to pass the costs on to their customers, but are mostly not eligible for assistance under the proposed CPRS transition package.

The study also determines that the CPRS in its current form will generate additional costs that would significantly erode firm profitability, impact employment and more adversely affect regional Australia.

The Australian economy is particularly vulnerable to unilateral carbon pricing due to greater dependence on international trade. Most of Australia's major trading partners are unlikely to adopt carbon pricing on the same timeline as the CPRS. Australia's proposed CPRS coverage is also more ambitious than ETS designs being pursued in other countries.

The results of this study show that there is the opportunity to improve the design of the CPRS to achieve the right balance between the intended environmental benefits, and the unintended economic consequences.

The *Securing SMEs in Australia's Low Carbon Future* Executive Summary is attached and the full study is available on the ACCI website at [www.acci.asn.au](http://www.acci.asn.au).

For further information:

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*ACCI represents over 350,000 businesses in every State and Territory and all industries. Our network employs around 4 million employees, ranging from the top 100 companies to many thousands of small and medium businesses.*

[www.acci.asn.au](http://www.acci.asn.au)

MR 088/09

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