

CPRS – KEY STATS

SUMMARY OF MACROECONOMIC IMPACTS

- Treasury modelling, consistent with all studies, finds that even very substantial emission reductions can be achieved while maintaining robust economic growth.
 - Achieving the Government's emission reduction targets was estimated to reduce annual GNP and GDP growth by 0.1 percentage points on average per year.
- Australia's aggregate economic costs of mitigation are small, although the costs to sectors and regions vary. Growth in emission-intensive sectors slows and growth in low- and negative-emission sectors accelerates.

IMPACT ON HOUSEHOLD PRICES

- The CPRS was estimated to increase CPI by 1.1 per cent, with greater impacts on carbon intensive goods. The overall 1.1 per cent price impact was spread over two years:
 - 0.4 per cent in 2011-12 – based on a \$10 per tonne fixed carbon price in 2011-12
 - 0.7 per cent in 2012-13 – based on a flexible carbon price in 2012-13, which was estimated to be \$26 per tonne.

CPRS – EXPECTED PRICE IMPACTS

Item	Weekly (nominal dollars)	Annual (nominal dollars)
Electricity 2011-12 (7%)	\$1.70	\$88
2012-13 (12%)	\$2.30	\$120
Gas 2011-12 (4%)	\$0.60	\$31
2012-13 (7%)	\$1.00	\$52
Food – price rise to 2012-13 (<1%)	\$1.30	\$68
Overall price impact to 2012-13	\$12.00	\$624

CPRS AND INVESTMENTS IN CLEAN ENERGY WILL CREATE JOBS

- Treasury modelling showed Australia would continue to achieve strong trend economic growth while making deep cuts in emissions through the CPRS, and that almost all industry sectors across the economy continue to grow.
- From an employment perspective, all major employment sectors grew over the years to 2020, substantially increasing employment from today's levels:
 - National employment was projected to increase by 1.7 million jobs from 2008 to 2020, and by 4.7 million jobs by 2050 while carbon pollution emission allocation levels are projected to fall by at least 60 per cent from 2000 levels in 2050.
 - Average income was projected to increase by \$4,300 per person over the twelve years from 2008 to 2020, with strong trend growth in real GDP and GNP.