

# The Senate Economics Committee on the MRRT

While doing their utmost to strangle the goose that lays the golden eggs, the government senators are also trying to gild its eggs. In their reluctance to admit that the spending commitments the government has made against the MRRT significantly exceed its likely revenue, the best they can say is that Treasury modelling is not an “exact science” and that revenue sources from resource taxes were very hard to forecast because they were subject to several variables.

Which begs some obvious questions: if the revenues are so hard to estimate, why would the government make firm commitments on the spending side? And second, where was that awareness of the limitations of economic modelling in the discussion of the carbon tax? Surely the government is making the same mistake over and over again: pledging firm spending against uncertain revenues.