



Wednesday 14 November 2007

**NEW EXPERT BODY SEEKS TO BREAK LOGJAM ON GREEN
FISCAL REFORM**

A new independent expert Commission, The Green Fiscal Commission, is launched today. The Green Fiscal Commission has been formed to break the political logjam on green fiscal reform.¹ Polling, carried out by BMRB and released today, shows 72 per cent of the public support the establishment of such a body, with an even higher proportion, 77 per cent, indicating support for the kind of tax shift that would be a central element of green fiscal reform. However, support diminishes markedly for the individual taxes that would need to be elements of such a shift.²

The Commission membership includes experts from business, leading academics, senior MPs from all three main UK political parties, three members of the House of Lords, and representatives from consumer and environmental organisations. It will be chaired by Robert Napier, Chairman of the Met Office and former Chief Executive of WWF. Its Director is Professor Paul Ekins, Head of the Environment Group at the Policy Studies Institute, and shortly to become Professor of Energy and Environment Policy at King's College London.³

“Most policy experts believe that the fiscal system has a vital role to play in the face of rising greenhouse gas emissions,” said Robert Napier. “Sending the right signals for businesses and households to conserve energy and to create and use more energy-efficient products is vital. Our polling shows clearly that people support green taxes in general, but when the revenues go to improve the environment further, or to reduce other taxes, they become even more supportive.”

Professor Paul Ekins, Director of the new Commission, said: “The balance of evidence suggests that green fiscal reform can be positive for both the environment and the economy. The Commission will take special care to explore the impacts of changing the tax base on both business competitiveness and low-income households and show how its overall effects can be made even more positive. Green fiscal reform is essential to counter climate change. When the Commission has finished its work, politicians and policy makers will have a serious and well thought-through set of proposals for fair and balanced reform, to choose from and implement in their own way.”

ENDS

Notes for Editors:

1. Green Fiscal Reform involves shifting taxes from ‘goods’ like labour or profits which are cut, to taxes on ‘bads’ like pollution or the depletion of resources which are increased. It does not involve an overall increase in taxation or public expenditure.
2. A national face-to-face opinion poll was conducted for the Green Fiscal Commission by the British Market Research Bureau (BMRB) between 30 August and 5 September 2007. 1,010 British adults aged 15 and over were interviewed. Headline findings from the poll are given below in Annex 1.
3. The full membership of the Commission is given below in Annex 2.
4. The Secretariat of the Green Fiscal Commission is provided by the Policy Studies Institute, one of the UK’s leading independent research institutes. The Commission’s major funder is the Esmée Fairbairn Foundation, one of the largest independent grantmaking foundations in the UK with the Ashden Trust also contributing. Details of the Green Fiscal Commission are available at www.greenfiscalcommission.org.uk

ANNEX 1

HEADLINE FINDINGS OF BMRB SURVEY

The survey was a national face-to-face opinion poll conducted for the Green Fiscal Commission by BMRB between 30 August and 5 September 2007. 1,010 British adults aged 15 and over were interviewed. The main findings were:

1. There is net support in principle for green taxes – 51 per cent support vs. 32 per cent oppose.
2. There is a significant increase in support if the revenue raised from green taxes is hypothecated to be spent on projects to help reduce carbon dioxide emissions. Support in this case rises to 73 per cent and opposition falls to 17 per cent.
3. Support for green taxes rises even higher if other taxes are reduced at the same time. Support is 77 per cent vs. 9 per cent opposition.
4. Favoured taxes to be reduced are Council Tax 32 per cent, Income Tax 31 per cent and VAT 11 per cent. No other tax named has more than 3 per cent.
5. There are quite high levels of support for taxes on environmentally harmful activities:
 - 60 per cent v 20 per cent for air travel;
 - 48 per cent vs. 35 per cent for petrol (ie driving);
 - 48 per cent vs. 35 per cent for home energy use.
6. Respondents in households owning a car are less likely than those in households without a car to support additional taxes on petrol, but there is still net support: 47 per cent vs. 37 per cent compared with 54 per cent vs. 25 per cent for non-car owners.

7. Respondents were asked about their support for the principle of placing taxes on activities that damage the environment, such as driving, flying or not recycling. Support was 57 per cent vs. 24 per cent opposition. Levels of support for redistributive taxes (69 per cent vs. 19 per cent) and taxes on unhealthy behaviours (66 per cent vs. 18 per cent) were somewhat higher than for green taxes.
8. There was widespread approval of “an independent body to further investigate and publicly debate the issues around green taxation”: 72 per cent vs. 12 per cent.

ANNEX 2

MEMBERS OF THE UK GREEN FISCAL COMMISSION

Chairman: Robert Napier (Chairman, Met Office)

Greg Barker MP (Con)	Shadow Environment Minister
Colin Challen MP (Lab)	Environmental Audit Committee, All Party Parliamentary Climate Change Group
Chris Huhne MP (Lib Dem)	Shadow Environment Secretary
Lord Ron Oxburgh	Ex-Chairman, House of Lords Science and Technology Committee, ex-Chairman, Shell UK Transport and Trading
Lord Adair Turner	Non-Executive Director, Standard Chartered Bank (former Chairman, Pensions Commission, former Director-General, CBI)
Barbara Young	Chief Executive, Environment Agency
Allan Asher	Chief Executive, energywatch (energy consumer council)
Nick Mabey	Chief Executive, E3G
Peter Madden	Chief Executive, Forum for the Future
Ed Mayo	Director, National Consumer Council
Paul Myners	Chairman, Guardian Media Group, Ex-Chairman, M&S
Duncan McLaren	Director, Friends of the Earth Scotland
Bernie Bulkin	Chairman, AEA Technology (also Sustainable Development Commissioner)
Rita Clifton	Chairman, Interbrand (former Sustainable Development Commissioner)
Andrew Duff	Group Chief Executive Officer, RWE npower (and Ofgem Environmental Advisory Group)
Michelle Harrison	Director, Henley Centre HeadlightVision, Board Director, BMRB, Chair, Institute for Insight in the Public Services
Michael Roberts	Director, Business Environment, Confederation of British Industry (CBI)
Professor Nick Hanley	University of Stirling
Professor John Hills	LSE, Director Centre for Analysis of Social Exclusion

Professor Tim Jackson	University of Surrey (also Sustainable Development Commissioner)
Professor Stephen Potter	Open University
Professor Andrew Sentance	University of Warwick, member of Bank of England Monetary Policy Committee and former chief economist, British Airways
Professor Kerry Turner	University of East Anglia

Director: Professor Paul Ekins, Head, Environment Group, Policy Studies Institute to January 2008 and then Professor of Energy and Environment Policy, King's College London.