

Definitive study shows a green tax shift would allow government to deliver economic as well as environmental benefits

For clarification re: Lord Turner, please see the bottom of this release.

London, October 24, 2009 - A comprehensive study by the Green Fiscal Commission has revealed that a 'polluter pays' tax shift would provide a significant boost for UK low-carbon jobs and competitiveness. It could in fact reduce UK emissions by over 30% by 2020, and create 455,000 new jobs.

The study, a result of over two years of research, shows that higher green taxes, implemented as a tax shift, could by themselves enable the UK to meet its statutory carbon emission reduction targets. The tax would also provide a boost to the development of low carbon industries and, in doing so, provide additional employment.

"This is not just about reducing emissions, but helping the UK to develop low-carbon competitiveness," said Green Fiscal Commission Director Paul Ekins. This work suggests that it is possible to substantially reduce emissions *and* create jobs, which has to be an important message to policy makers at a time of rising unemployment. We know that a tax shift can be attractive to people, because it is effectively taxing a social evil, i.e: pollution, and people are much more supportive of taxes levied in this way." With Gordon Brown looking to show the UK's green credentials and needing to find ways to stem UK unemployment, a green tax would help on both fronts. Highlights of the report include:

- Environmental taxes do protect the environment and in many cases will produce improvements at lower cost than other measures
- Raising environmental taxes will not only produce a cleaner environment but allow other taxes to be lower
- A poll for the Green Fiscal Commission showed clear public support for a green tax shift.
- The UK's 2020 greenhouse gas targets could be met with green taxes and the economic implications would be broadly neutral
- Investing a small proportion of the revenues from increased green taxes in energy-efficient homes, cars and renewable energy schemes would reduce emissions further at effectively no cost

Speaking just before the launch of the report, Robert Napier, Green Fiscal commission chair said, "This report adds the numbers to an issue that has frequently been discussed in more general terms. It shows that Green Fiscal Reform could help put the UK on a low-carbon track and from that many positives will flow: reduced

greenhouse gas emissions, extra employment, and new technologies which will help the UK economy all round.”

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Notes:

The Green Fiscal Commission was formed in May 2007 and will continue in existence to the next General Election. It is an independent body and is not affiliated to any political party or government. Its members come from business, universities, the three main UK political parties, both Houses of Parliament, and consumer and environmental organisations. Members were all appointed in a personal capacity. The Commission’s secretariat is provided by the Policy Studies Institute (PSI), one of the UK’s leading policy-focused research institutes. Its Chairman is Robert Napier, Chairman of the Homes and Communities Agency and the Board of the Met Office, with a distinguished career in business and the environment. Its Director is Professor Paul Ekins, formerly Head of the Environment Group at PSI, but now Professor of Energy and Environment Policy at the UCL Energy Institute, University College London.

The Commission’s full Terms of Reference and a list of members are available by contacting Francesca Polini at Francesca@wecare.eu.com or on 07725558754.

Clarification re: Lord Turner

The GFC report is being launched by the independent Green Fiscal Commission and by Professor Paul Elkin and Robert Napier. Some newspaper reports have inaccurately reported that Lord Adair Turner (Chair of the Committee on Climate Change) is launching the findings. Lord Turner will take part in a panel debate to take place tonight, in order to respond to the report’s findings, alongside other representatives. All Commissioners have served in a personal capacity, and Lord Turner has not contributed to the content of the report in his position as Chair of the Committee on Climate Change or as Chair of the Financial Services Authority.