

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

4 – 6 June 2013

Question: BET 311

Topic: Environmental Taxes in Australia

Hansard Page: Written

Senator WATERS asked:

Have you seen Chart 4.1 in ABS' discussion paper *Environmental Taxes in Australia*, which shows that Australia's environmental taxes decreased relative to GDP between 2000 and 2009 and are well below those in most comparable countries? What do you think is driving this? As environmental taxes are a tax on 'bads' rather than a tax on working, is having a small role for such taxes in the overall tax system inimical to an efficient economy?

Answer:

Yes. According to the ABS, Australia's environmental taxes have fallen as a per cent of GDP over the last ten years (from 2.4 per cent to 1.9 per cent).

The ABS notes that environmental taxes do not represent a major revenue source for governments more broadly — representing “on average just below 2 per cent of Gross Domestic Product (GDP) for governments” (ABS, page 8)

The role of environment taxes and the issue of the imposition of taxes generally is a matter of policy and, therefore, is a matter for the Government.