

Emissions trading worth \$10bn/yr to Feds: Turnbull

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THE Federal Government stands to pocket around \$10 billion per year following the introduction of an emissions trading scheme in 2010 if it sets a 'modest' carbon price of \$25 per tonne, according Shadow Treasurer Malcolm Turnbull.

In a speech to the Sydney Institute on Wednesday night, Turnbull said this additional revenue created an opportunity to phase out a number of inefficient state government taxes, such as stamp duties.

To compensate business and households impacted by the introduction of a carbon price, Turnbull called for ETS revenues to be matched by a reduction in other taxes.

Turnbull also argued revenue should be spent on R&D on low emission technologies and providing incentives for households and businesses to invest in energy efficiency.

And importantly, the arrival of the ETS makes it "essential" to review the efficiency of the tax system itself, Turnbull said.

"We should take the opportunity with the revenues from the ETS to address both inefficient taxes as well as inefficiencies and inequities in our income tax system," he said.

"The ETS also offers an opportunity to phase out a number of very inefficient state government taxes."

One of these inefficient state government taxes is stamp duties, which Turnbull argues should be phased out.

"Stamp duty is a tax on changing locations. The more you buy and sell, the more you are taxed. And yet at a time when housing affordability is so much debated wouldn't we want a property market that was as unfettered as possible, where there are as few barriers as possible to trade? Well we would, but every year states raise around \$11 billion in stamp duties on property transfers."

Turnbull's speech follows calls from the Australian Industry Group (Ai Group) for the Federal Government to introduce a phased-in reduction in the company tax rate from its present level of 30 cents in the dollar to 25 cents.

The argument was put forward in its pre-budget submission released last week.



Shadow Treasurer
Malcolm Turnbull