

14 June 2015

**Media Release**

**OECD report hails potential of environmental taxes**



EDS is pleased that an international report confirms the importance of a key strategic solution proposed in our new book *Vanishing Nature*.

A new report from the OECD highlights the potential of environmental taxes in New Zealand. The recommendation comes on the heels of *Vanishing Nature* recommending an environmental consumption tax and rebate system be introduced.

“Our research shows that fundamental economic drivers of biodiversity loss will be immensely hard to counter without novel economic institutions,” said EDS’s Senior Policy Analyst, Dr Marie Brown.

“Conservation of our natural heritage is costly and difficult, while damage is cheap and carries no consequence. The inevitable result of this is a lack of resilience and diminishing prosperity.

The OECD report *OECD Economic Surveys New Zealand*’ (June 2015) provides an overview of risk areas for sustaining economic growth. One of these is identified as ‘rising environmental pressures’. Environmental taxes are highlighted as a potential source of revenue to address key challenges and make the overall tax system more equitable.

“The OECD report recommends implementation of land, environment and capital gains taxes to address environmental, economic (e.g. property prices) and social (rising inequality) issues. The environmental consumption tax combines elements of all three being a land tax scaled according to environmental damage done.

“For our biodiversity and ecosystem services, the introduction of such a tax would require that polluters pay for degradation of nature, a real disincentive.

“An accompanying rebate structure could redistribute all or part of that revenue raised to conservation and other prosperity-enhancing activities.

“Conservation receives just a fraction of the funding it needs in New Zealand, and protecting our natural heritage requires much more investment.

“Novel economic reforms will help fund the substantial investment needed in conservation and other public good exercises, often left out in the cold on Budget Day,” said Dr Brown.

*Further discussion: Dr Marie Brown 021 80 87 64*

You can read the report at <http://www.oecd.org/eco/surveys/New-Zealand-2015-overview.pdf>

Read more on the environmental consumption tax and rebate system proposed in *Vanishing Nature* and in this article we wrote for *Pure Advantage*:

<http://pureadvantage.org/news/2015/05/26/vanishing-nature-is-taking-our-prosperity-with-it/>