

# Australia cuts number of firms liable to new tax

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Protesters rally in Sydney on July 1 against Australian Prime Minister Julia Gillard's plans to introduce a carbon tax. Australia has halved the number of companies needing to pay a contentious pollution tax from 1,000 to about 500, Gillard said Thursday, stressing only big business will be hit.

Australia has halved the number of companies needing to pay a contentious pollution tax from 1,000 to about 500, Prime Minister Julia Gillard said Thursday, stressing only big business will be hit.

Gillard's confirmation of the move followed reports that companies excluded will include fuel suppliers and distributors and also firms emitting synthetic [greenhouse gases](#).

The 500 largest polluting companies are expected to include coal-fired electricity generators, [miners](#), and steel and [aluminium](#) manufacturers.

"I think this figure of 500 strongly reinforces the point that this is a price being paid by big businesses, a limited number of big businesses, it is not being paid by Australian families," Gillard told ABC television.

"There's been some confusion as to who actually pays the direct price for carbon pollution, who needs to pay the price per tonne, and this figure of 500 makes it very clear the people paying the price per tonne are big polluters and a very limited number of companies."

The planned tax is one of the most significant economic reforms in [Australia](#) for decades and Gillard is staking her ailing leadership on its passage.

She would not confirm reports that the charge would be Aus\$23 (US\$24.5) a tonne for carbon emissions, level with the European Union but lower than that recommended by the country's Productivity Commission.

Australia is among the world's worst per capita polluters due to its reliance on coal-fired power and resources exports and it plans to charge big business a fixed price per tonne of carbon dioxide emitted from mid-2012.

The levy will give way to an emissions trading scheme (ETS) within five years, linked to global carbon markets.

The Sydney Morning Herald said the Aus\$23 was a compromise between Gillard's Labor Party, which was seeking Aus\$20, and the Australian Greens, who have the deciding vote in parliament and wanted a much higher price.

Government modelling based on a Aus\$20 price showed that a carbon tax would cost the average family about Aus\$7.80 a week -- Aus\$406 a

year.

Full details of the long-awaited pricing structure are due to be revealed on Sunday with a cabinet meeting expected on Saturday to approve the plan.

Treasurer Wayne Swan has said nine out of 10 households would get tax cuts or pension boosts to help meet rising living costs associated with the levy and promised industry assistance, particularly for high-polluting exporters.

The plan though has met fierce resistance from groups including the Minerals Council of Australia and the Australian Coal Association.

Labor's conservative Liberal/National opponents also reject the [tax](#), and the government needs the support of the eco-minded Greens minority party and a handful of rural independent lawmakers to get it through parliament.

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