

# Govt must act on climate change, but who will pay?



## **Green revolution must be paid from taxation not regressive bill subsidies which hit the poorest hardest says GMB Union**

GMB, the energy union, has responded to the latest progress report from the Committee on Climate Change (CCC).

The committee says in order to meet its net zero emissions target by 2050, the UK Government must show it is serious about its legal obligations.

GMB says government must be clear about who will pay for the change and Parliament must now set the rules around 5 key points to ensure this happens and the UK maximises the economic and



employment benefits from decarbonisation:

1] The costs and subsidies to achieve decarbonisation must come from progressive general taxation (including corporation tax), not via the current systems of adding costs to every household's energy bills which disproportionately hits the lowest paid workers and those least able to pay.

2] The percentage of the agreed supply chain which must be sourced in the UK must be a binding and legally enforceable condition of each project being awarded subsidies.



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3] Establishing an official register of all companies receiving public subsidies. No company registered offshore in a tax haven can be eligible to be on the register or paid subsidies. It must be clear who the beneficial owners of all companies are and how much in subsidies they are paid each year.

4] The companies on the register building and running projects, and all their contractors and sub-contractors, must be covered by a new national recognition and collective bargaining agreement encompassing all workers in the sector.

5] To qualify for subsidies, all information on the output and performance of all renewables energy facilities must be available to organisations tasked by Parliament with ensuring the energy grid systems are balanced and can deliver secure, reliable energy in a cost effective manner.

A recent GMB survey, conducted by Survation, showed that:

- 78% of the public believe the Government should fund the development of the renewables industry – but only 20% of people think it should be funded primarily through customer's electricity or gas bills. Instead a majority (51%) believe it should be funded primarily through income tax
- 70% agree the Government should prioritise creating well paid and skilled jobs in the UK with contracts to develop renewable energy even if it that may not be the cheapest option. Only 18% support the lowest price no matter where approach.
- 59% say if a political party produced a plan to create more green manufacturing jobs in the UK, they would be more likely to support this party. [ ]



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**Justin Bowden, GMB National Secretary, said:**

“The Committee is quite right, the Government needs act. In fact what is actually required, is a Government-led mobilisation consistent with that required in a wartime situation.



“But everyone continues to skirt around the question “who is going to pay for it?” With Government ministers saying that the costs of “net zero” are going to be 2% of GDP, or £36 billion per year very year until 2050, key must be to join up the political, economic and industrial issues with who pays.

“GMB has always said any ‘green revolution’ must be paid from general taxation – including corporation tax – rather than the utterly regressive method now of green subsidies on household energy bills which hit those least able to pay the hardest.

“It is not that UK citizens won’t pay for the costs of decarbonisation, it is simply that millions simply cannot afford it. “It is high time that the public be told clearly by the Green Party and MP’s like Caroline Lucas how the huge sums required annually to meet the costs of meeting the net zero carbon emissions targets by 2050 are going to be raised and who in the end will pay them.

“References to fuel poverty and the need to avoid it by green activists do not address the fairness issue of who actually pays Anything other than a clear strategy that all subsidies and investment required will be paid for from progressive general taxation – and definitely not from each household’s energy bill as per the current system– utterly misses the point and shows how out of touch some activists are with millions of ordinary people who don’t have that kind of cash.

“There is a world of difference between the actual and theoretical effects of any levies, charges and taxes and there is a need for clarity on the actual effects of who in the end pays.”

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