

# Carbon tax rates rip-off: Greedy councils pocket our cash as NSW government calls for a ‘please explain’

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**ENVIRONMENT Minister Greg Hunt has demanded an explanation after it emerged that savings from the carbon tax repeal will not filter down to NSW ratepayers until at least mid-2016.**

NSW's 152 councils are being allowed to increase rates by 2.4 per cent next year — though 23 authorities, including Ashfield, Blue Mountains, Mosman, Marrickville and Ryde councils, have applied for special permission to charge even more.

[Editorial: Carbon tax's dirty legacy](#)

## **RATES RIP-OFF**

- The average NSW council rate in 2015-16 will be \$945, but many Sydney council rates have topped \$1000
- The 2.4 per cent rate increase is the basic maximum by which councils can increase their rates
- Twenty three councils have applied for special permission to increase their rates by more than 2.4 per cent and the authorities have until February 16 to explain why
- Councils have the option to increase their rates by less than the annual rate peg, but few ever do

The basic 2.4 per cent increase will add about \$30 to most Sydney household bills, many of which are already under enormous strain from rocketing utility bills.

The Independent Pricing and Regulatory Tribunal (IPART) set the 2015-16 rates but did not formally include savings available to councils from the carbon tax repeal, including reduced fees for gas and stationary.

The earliest any council rates reductions are likely to be felt is mid-2016 and Mr Hunt has written to IPART chief Dr Peter Boxall demanding to know why savings are not being passed on immediately.

“I would appreciate further explanation of why ratepayers in NSW shouldn't benefit immediately from the price reductions that have been observed since the repeal of the carbon tax,” Mr Hunt wrote.

IPART wants to wait for the full savings from the carbon tax repeal to flow through the economy before deciding how to adjust council rates.

The pricing regulator bumped up rates before the carbon tax was introduced and Mr Hunt has suggested the regulator could act in advance again.

IPART put 2012's rates up an extra 0.4 per cent to account of the carbon tax but later rescinded that amount when it became clear it was unnecessary.



Please explain... Environment Minister Greg Hunt wants to know why councils are continuing to charge ratepayers for the carbon tax.*Source:* News Corp Australia

The pricing regulator was unable to respond immediately to Mr Hunt's letter but Dr Boxall has defended its rate decision, saying it will provide greater certainty.

"The tribunal had to make a judgment about whether to make an explicit adjustment the way we did when the carbon price came in about three years ago or whether to let it work through the economy," he added.

The Daily Telegraph can also reveal that private landfill operators and 29 councils across Australia who operate landfill sites will use millions of dollars collected during the tax regime for carbon abatement schemes.



Landfill operators are also coming under fire. Picture: ThinkstockSource: Supplied

Landfill operators increased fees between 2012 and 2014 to account for future emission liabilities.

But with the carbon tax now scrapped, about \$70 million of those fees are sitting idle in company and council bank accounts.

The supply chain has been deemed too complex to refund that cash to its original source and the federal government will publish plans today outlining how it should be ploughed into carbon abatement schemes.

Organisations will be expected to use the money on things like energy efficient light bulbs or purchasing carbon credit units.