

Wednesday 3 August 2011, Tamworth

CHAIR: I am reading an article here in the *Northern Leader*, where it says that the Tamworth Regional Council will review its operations to see what the cost of the government's carbon tax package will be. That was a couple of weeks ago. Have you gone through that process yet?

Councillor Murray: That is actually a work that is in progress, through our different directorates and departments. It is far from being finalised.

CHAIR: When do you expect that to be finalised?

Councillor Murray: At some stage before the imposition of the tax, I guess. It is certainly a work in progress, but it may be—

CHAIR: September? October?

Councillor Murray: Probably some months, I would say—two to three months at the minimum.

CHAIR: We would really appreciate it if you could share with us, once it is available, a copy of that assessment. You say you have an electricity cost of \$3 million. The government's own figures—and we question whether the Treasury modelling properly assesses the whole impact of the carbon tax—say that in the first year electricity costs will go up by 10 per cent. It will be more after that, of course, because the carbon tax will go up. So that is \$300,000 additional cost in the first year and more in subsequent years. Can you just talk us through the specifics? You say there is rate pegging, so you cannot increase your rates to recover that cost. What services will you have to cut in order to absorb just that increase in the cost of electricity?

Councillor Murray: A significant part of that cost would be able to be passed on to our ratepayers through our sewerage and water rates, which are not pegged.

This e-mail is sent on behalf of the Mayor, Cr Col Murray.

At the enquiry held on Wednesday 3 August in Tamworth, discussion took place on the impact of a Carbon Tax on Council's operating expenses followed by the request for Council to provide information of these increases at a later date.

Council wishes to confirm that the imposition of a Carbon Tax will result in an increase of approximately \$300,000 in electricity costs and based on our own internal assessment of our landfill operations, a potential levy of \$1.1M based on the production of 38,987 tons of CO².

There is also some uncertainty regarding the impact of a Carbon Tax on the operation of heavy machinery that is used by Council in the delivery of infrastructure services.

**Darleen Croxon
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