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Carbon tax: Hume residents wary of tax effects

BY TARA MURRAY AND BEN MILLAR
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DEBATE about the likely effects of the federal government's carbon tax was raging in Melbourne's north as the new system came into effect on Sunday.

Under the scheme, businesses and organisations emitting more than 25,000 tonnes of carbon dioxide a year will have to buy a \$23 permit for every tonne released.

The Gillard government is hoping a generous compensation package will deliver a much-needed bounce in public support following the tax's introduction.

Price increases are set to flow through to households and businesses, but McEwen MP Rob Mitchell said he was sure most Sunbury residents wouldn't be out of pocket.

"Nine in 10 Sunbury households will receive some combination of tax cuts, higher family payments and increases in pensions and benefits and, importantly, these tax cuts and payments are permanent and will increase over time.

"Electricity prices are estimated to increase by \$3.30 a week for the average household and even less for smaller or sole-occupant homes."

Hume Council said 1.4 per cent of its latest rise in rates was due to the carbon tax.

Electricity prices are due to rise by up to 15 per cent, but only about 8 per cent of that rise is due to the carbon price.

The rest is a result of the electricity suppliers passing on other costs.

Federal Opposition Leader Tony Abbott has vowed to scrap the carbon tax if the Coalition wins government at the next election, due next year.

Victorian Liberal senator Scott Ryan said the limited compensation packages for some would not be enough to blunt the direct and indirect impact of the carbon tax.

Western suburbs Liberal MP Bernie Finn claims a price on carbon will deliver the northern suburbs of Melbourne their worst recession since the 1930s.

"It's a real concern for Sunbury, Bulla and Hume residents as the airport is a main employer of local residents.


"We have already seen airlines make cutbacks and with the tax on energy, of which airlines are prolific users, they will feel it hard.

"There's so much misery for no reason at all. My neighbours and friends are already talking about how it could affect them and the uncertainty it brings."




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