

CARBON TAX The great unknown

By TOM SEBO

DESPITE being one of the biggest economic reforms in Australian history, the majority of families still don't know what impact the Carbon Tax will have on their weekly budget.

The question getting the most attention seems to be one of semantics rather than economics, whether it is a "great big tax" or an "effective carbon pricing mechanism". But what does it all mean? How will the PM's transition into a "Clean Energy Future" effect your bottom line?

Firstly, households do not pay the tax directly, only big polluters do. However, there will be a flow on affect for consumers and it will have an impact on everybody's hip pocket.

The biggest impost to household will come in the form of sky rocketing energy prices. As of July 1, prices increased by 18.1 per cent in NSW, almost half of which was caused by the Carbon Tax.

According to the government's own modelling, gas prices will rise on average by 9pc this financial year and electricity will go up by 10pc.

This means if you pay \$900 a quarter in energy utilities (\$400 on gas and \$500 on electricity) you will be paying an extra \$344 per year or find an extra \$6.61 in your weekly budget.

Treasury also forecasts that the Carbon Tax will push the Consumer Price Index (CPI) up 0.7pc, meaning if you spend \$300 a week on groceries you will need to find an extra \$2.10 in your weekly budget.

Staple products like fruit, vegetables, milk, bread and meat will all rise by 10 cents. The hospitality industry (ie restaurants and fast food chains) will charge an extra 20 cents per meal.

It is not yet known what impact Carbon Tax will have on Council rates.

"We don't expect that we will be too significantly impacted by the cost of increasing electricity prices on our streetlights, as we managed to lock in a deal on that before the latest electricity price increase," Mayor Geoff Kettle explained.



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FEELING THE PINCH: Liberal candidate for Hume Angus Taylor (centre) with turkey farmers Frances and James Mifsud, 'Trilla', Marulan. The Mifsuds say they will have to absorb any costs associated with the carbon tax.

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Businesses face taxing times

By ANTONY DUBBER

WHILE the government's PR department has been in overdrive this week trying to convince the masses they won't be affected by the Carbon Tax, Chamber of Commerce president Rob Walker says local businesses are feeling the pinch.

"Local businesses have been doing it tough in Goulburn for quite some time," he said.

"Internet sales have certainly had an impact on our city.

"Also, if you've got less money available due to the carbon tax, you're going to have to put your hand deeper into your pockets, figuratively speaking. It's not rocket science that our retailers are going to end up with less sales and more problems."

According to forecasts by Treasury, the cost-of-living impact for low to middle income earners will only be minimal, at one per cent. But again, Mr Walker disputes this fact.

He says that an assistance payment to households of \$10.10 a week is not enough to give them peace of mind.

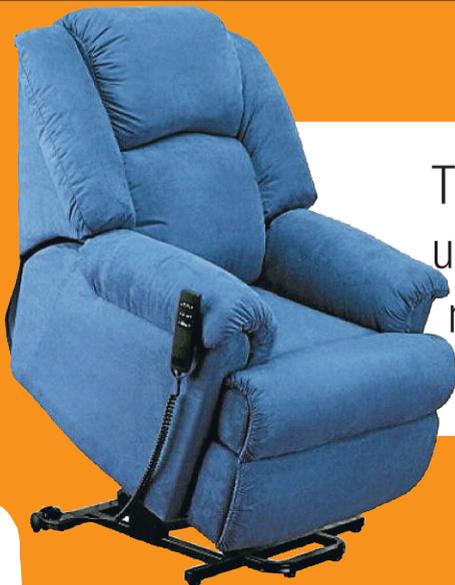
"When it comes to jobs, at the moment, the government seems to be saying that it's all about the employee, and not so much the employer," Mr Walker said.

"They give all the rights to the employee, but then don't even consider the rights of the employer."

Marulan turkey farmer James Mifsud said he was bracing for increased costs of production.

"This tax does have an impact on poultry producers, and is a cost that we have to try and absorb," he said.

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