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Media release

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Emissions trading to cost local councils \$344 million

The introduction of emissions trading will cost local councils up to \$344 million per year according to a new paper published by the Australia Institute, a Canberra based think tank.

The paper entitled “Who are the (un)intended losers from Emissions Trading?” by Australia Institute Research Fellow David Richardson models the likely impact of the Rudd Government’s Carbon Pollution Reduction Scheme on the local government sector. It uses ABS data to estimate the likely impact of the price rises associated with emissions trading on the cost of providing council services.

“In 2007 Australian local governments spent more than \$22 billion providing a diverse range of services to their local communities. What our research shows is that the costs associated with the introduction of emissions trading will have a significant impact on council’s bottom lines,” said David Richardson

“Unless councils receive compensation from the Commonwealth Government then they will either have to increase their council rates or do less for their communities. At present it seems like the big polluters are making the most noise about the need for compensation, but what this research shows is that the Government should consult a lot more widely before it promises any more money to the big polluters,” concluded Mr. Richardson.