

Charity fears effect of carbon tax



Harvest Rain Christian Care pastor Fred Muys fears the impact the carbon tax will have on struggling families. File



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THE head of an Ipswich welfare agency fears the effect the carbon tax will have on families already struggling to pay their power bills.

Harvest Rain Christian Care pastor Fred Muys said of the 600 families his organisation assisted each year, about 39% would have encountered financial hardship as a direct result of the high price of electricity before the introduction of the carbon tax on July 1.

The Federal Treasury has estimated the carbon tax will result in an average 10% increase in power prices - equating to an extra \$3.30 a week.

To counter this, the government has introduced household assistance packages and tripled the tax-free threshold from \$6000 to \$18,200 to ease the burden on low-income earners.

Member for Blair Shayne Neumann said more than 90% of households in the Blair electorate qualified for the assistance package, which would assist to the tune of \$10.10 per week.

However, Pastor Muys believed any increase in electricity prices would hurt low-income families, regardless of the payments.

"There are a couple of cost areas that cause problems, and the cost of electricity continues to be a major concern for low income families," Pastor Muys said.

"It is too early, at this stage, to indicate just what effect the carbon tax will have and we won't be able to get a true reflection of that until the bills arrive."

Mr Neumann said some electricity companies had increased their prices well above the 10% incurred because of the carbon tax, and this was an issue for the State Government.

Pastor Muys was also concerned at what would happen to grocery prices when factors such as increased fuel costs were added to prices.

Tax Impact

- The average Australian household's expenses will increase by \$9.10 per week.
- This includes \$3.20 a week for electricity and \$1.20 a week for groceries.
- A loaf of bread and a litre of milk will cost two cents more.

Source: choice.com.au