

A billion reasons why the current rating system is broken and why IPART's review should discuss how to fix it

Local councils need to levy rates and other charges to obtain the funds they need to perform their statutory functions and meet community expectations.

A balanced Rating Review would consider how Councils can most effectively raise the revenue to meet these obligations. The current review fails to do this, because it does not discuss how revenue could be collected to address the \$8 billion health problem caused by NSW wood heater pollution.

This important issue was raised in several submissions to the IPART review, including: B. Ewald (9 May 2016), V. Henwood (9 May 2016), Carol Jamieson (9 May 2016), anonymous (W16/2065, 13 May 2016), William Thomson (10 May 2016), D Robinson (13 May 2016) and New England Greens Armidale Tamworth (12 May 2016).

Fine particle pollution (PM2.5) from man-made sources is estimated to have caused the premature deaths of 520 Sydneysiders in 2008 [2]. In 2013, after more accurate air pollution monitors were installed, fine particle pollution was estimated to have caused 877 premature deaths in Sydney[3].

The most recent emissions inventory (compiled by the NSW EPA for 2008) lists 5,457 tonnes of PM2.5 emissions from residential wood heating in Sydney, more than all other sources – 1,552 tonnes from on-road vehicles, 1,935 from industry, 952 from off-road vehicles and 184 tonnes from other sources. This is despite the fact that wood is the main form of heating in less than 5% of Sydney's households.

In other situations, such as the regulation and licencing of septic tanks, councils can charge fees for inspections and licencing. Few Australians die from pollution from unlicensed septic tanks, compared to thousands of premature deaths from PM2.5 pollution, a large proportion of which (as shown by the NSW EPA emissions inventory for Sydney) comes from unlicensed and unregulated domestic wood heaters. Yet when residents complain about health-hazardous emissions, local councils, who are responsible for regulating wood heater emissions, often attribute their lack of action to the lack of resources to deal with the issue.

A NSW EPA consultancy report recommended licencing fees for wood heater use. Assuming the money raised funds woodsmoke reduction programs, the estimated net benefit was \$1.28 billion (see reference [1] below). Although there are parallels with fees and charges, licencing fees have more in common with additional rates on certain types of properties. It would therefore be fitting to include some discussion of the issue in this IPART report.

The final IPART report should therefore discuss this important issue, and the tremendous estimated **net benefit of \$1.3 billion** from licencing wood heater use. IPART should act in the public interest by recommending changes or further investigations that would allow NSW Councils to levy fees and charges for inspections and licencing when (as in the case of domestic wood heaters) significant community benefits would result.

References:

1. NSW OEH, Economic Appraisal of Wood Smoke Control Measures, 2011, AECOM Australia Pty Ltd. Prepared for the Office of Environment and Heritage. Available at: <http://www.epa.nsw.gov.au/woodsmoke/smokecontrolopts.htm>.
2. Morgan, G., Broome, R. and Jalaludin, B. (2013). Summary for Policy Makers of the Health Risk Assessment on Air Pollution in Australia. Prepared for: National Environment Protection Council, University Centre for Rural Health, North Coast, Education Research Workforce. Available at: <http://www.environment.gov.au/protection/nepc/nepms/ambient-air-quality/variation-2014/impact-statement>.
3. Robinson, D. L. (2015). "Health damage from current air pollution levels." Australian and New Zealand Journal of Public Health 39(3): 208-209.