

Review of Local Government Rating System

The rating system should allow additional charges or levies on pollution-emitting properties that create significant health and environmental costs for the rest of the community.

Properties fitted with woodheaters are an important example of this. A consultancy report for the NSW EPA estimated the health costs of domestic wood heaters at over \$8 billion over 20 years¹, equivalent to an average cost of more than \$22,000 for every wood heater in NSW. Local councils are expected to manage this problem but lack adequate resources.

Only 5% of households use wood heaters in Sydney but according to an emissions inventory compiled by the NSW EPA, residential wood heating emits more hazardous PM 2.5 particles than all other sources put together.

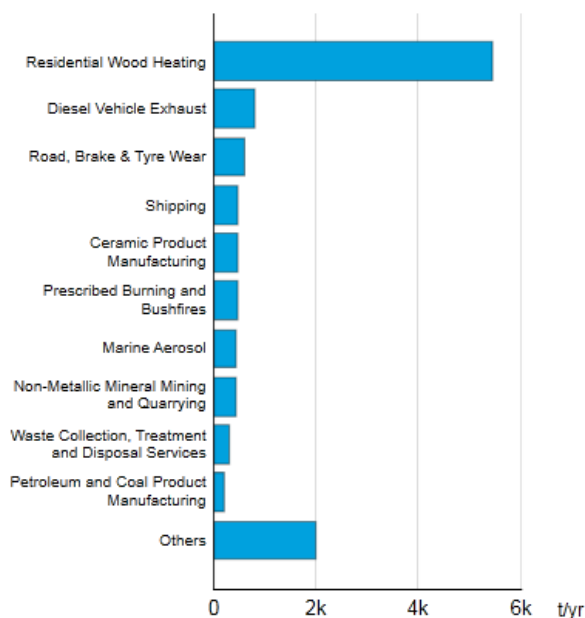
The NSW EPA consultancy report recommended charging licencing fees for wood heater use.

Region: Sydney
 Substance: PM2.5
 Sector: (All)
 Unit: tonnes per year

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Emission by Activity (2008)



Assuming the money raised is used to fund woodsmoke reduction programs, the estimated net benefit was \$1.28 billion.¹

As part of its review of the rating system, IPART should allow councils to levy licencing fees such as those recommended by the NSW EPA consultancy report (modelled on an annual charge of \$20 which was expected to raise \$11 million and reduce health costs by \$1.27 billion).

The current system is grossly unfair and ineffective – the entire community suffers billions of dollars of health damage because councils lack the funds for effective woodsmoke reduction programs while households using wood heaters enjoy a personal benefit of slightly cheaper fuel costs without bearing any of the costs of tackling the significant health and pollution problems that their actions cause the rest of the community.

Woodheater licencing fees are particularly needed in urban areas where each woodheater can have serious health and pollution consequences due to the high density of residences. The fees would help fund woodsmoke reduction programs which would educate residents on the health damage caused by woodsmoke

and provide financial incentives to replace woodheaters with non-polluting alternatives.

The amalgamation of councils in NSW will bring in a great deal of review and consolidation of policies. Now is the ideal time to introduce woodheater licensing fees so that the polluters bear at least some share of the costs of their actions and councils have some means of raising the funds to enable them to tackle this significant health and pollution problem.

Cited Information

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>.