

# October 2014 FAQ Carbon Tax Rebate

## Your Questions answered

Sydney Water has received a number of inquiries regarding customer rebates following the repeal of the Carbon Tax. The following Q&A has been developed to answer these questions.

### What was the carbon tax?

The carbon tax was introduced on 1 July 2012. It applied to a range of large businesses and industrial facilities that emitted more than 25,000 tonnes of carbon dioxide per year.

### Did Sydney Water pay the Carbon Tax?

No, we did not have to pay the carbon tax directly. Our exposure arose indirectly, where the cost of goods and services used by our business incurred the carbon tax. In particular, through our electricity purchases and carbon costs passed through to us for raw water purchased from the Sydney Catchment Authority.

### Why is there a Carbon Tax Rebate?

The Federal Coalition repealed the Carbon Tax from 1 July 2014 and Sydney Water is no longer required to pay the Carbon Tax.

### What rebate can I expect to receive?

A Carbon Tax rebate of around \$10 will be provided to every Sydney Water customer in the January Quarter Billing Cycle 2015, with a further rebate of around \$10 in the January Quarter Billing Cycle 2016. This rebate will appear on customers' water bills under the title 'Carbon Tax Refund' and will be back dated to 1 July 2014.

### Why aren't my water bills going to be reduced now that the Carbon Tax has been removed?

IPART has set the water prices that Sydney Water can charge our customers for a four year cycle. As a result water prices remain locked in for the next two years, and customers are being refunded by way of two annual rebates instead.

## **Is all the Carbon Tax charged being returned?**

Yes. Sydney Water is expected to provide rebates of 100% of the savings from the repeal of the Carbon Tax to customers.

## **How much tax is being returned?**

Sydney Water will return \$18.67m to Sydney Water customers for Financial Year 2014/15 and \$19.55m for Financial Year 2015/16.

## **Will pensioners get the full amounts as they already get a pensioner rebate off their service charges?**

Yes, Pensioners will get the full rebate.

## **How much rebate will I get if I own a dual occupancy or block of flats?**

You will get a rebate for each dwelling. That is, if you have 6 units you will get 6 times the rebate.

## **I am a large water-using business. Why is my carbon tax refund the same as a small residential water user?**

Sydney Water is rebating the whole carbon tax amount back to customers who receive service charges. Everyone receives the same rebate. It does not vary based on the amount of your service charge. It is not linked to how much water you use. This rebate approach is the same as that adopted by Hunter Water.

## **I am a Sydney Water water customer, but not a wastewater customer. Will I still receive the rebate?**

Yes, you will get a rebate.