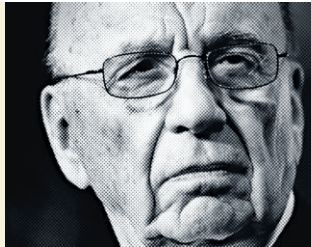




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Weekend Edition

THE AUSTRALIAN FINANCIAL REVIEW

Queensland fires first salvo

Carbon tax war erupts

Laura Tingle and Mark Ludlow

The federal-state war over the impact of a carbon price on household energy bills has begun, with the Queensland price regulator claiming a typical household's electricity bill will rise \$192.35, or 11.2 per cent, a year as a result of the new tax.

The Queensland Competition Authority, which sets energy prices in the state, says the federal renewable energy target will add a further \$92.80, or 5.4 per cent, to household bills.

But the Newman government has reserved its position on whether to adopt the recommended electricity price increases, which are based on a complete restructuring of the state's electricity charging system.

If it wants to maximise the political impact of the carbon tax – and sheet the blame home to the Gillard Government for price increases – it will have to find a way to stop any state-based electricity charge increases.

The cost of living was a central issue in the Queensland election campaign. The pricing of electricity around the country in coming months will also be at the front line of the federal political battle over the carbon price, which begins on July 1.

Newly sworn-in Queensland Treasurer Tim Nicholls said on

Newman's challenge

The former military man must juggle Queensland's suite of conflicting interests.

Tony Walker • 46



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Friday the cost of electricity generation had actually come down.

"It's only, in effect, the carbon tax that has driven up the price over what it is now," Mr Nicholls said. "But for Labor's great big carbon tax [the standard domestic tariff] for a typical family would have declined. This is obviously going to be of great concern for families."

However, federal Climate Change Minister Greg Combet said the draft decision in Queensland showed factors affecting electricity prices included network charges and changes to pricing structures.

"The Gillard government is providing households with tax cuts and increased payments to assist with the introduction of the carbon price. On average, this assistance will be \$10.10 per week per household," he said.

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Roebourne Shire president Fiona White-Hartig, Town of Port Hedland mayor Kelly Howlett and Ashburton Shire president Kerry White
Photo Bohdan Warchomij

BOOM TOWN GALS

Meet the three women whose towns have become a magnet for money and people. Over \$1 billion will be spent in the Pilbara as massive energy and iron ore projects come onstream and these three local mayors must manage the furious growth that will follow. Population increases in the west come as growth in the inner areas of the major cities is beginning to slow. **Full story page 10**

ACMA eyes piracy claims

Neil Chenoweth and Angus Grigg

Australia's broadcasting regulator is "monitoring" claims in *The Australian Financial Review* that a News Corp subsidiary promoted a global wave of pay TV piracy.

The Australian Communications and Media Authority is understood to be liaising with the Australian Federal Police.

In a statement on Friday ACMA

said it concerned itself with the "suitability of licensees". Any inquiry into suitability of licensees would consider whether there is a "significant risk" the licensee would breach licence requirements.

This risk would cover, among other things, the "business record of any person who is in a position to exercise control of the licence and their record in situations requiring trust and candour".

The regulations are said to contain a "high bar" in terms of the sort of behaviour that would warrant removing a licence. The area is also said to be largely "uncharted".

News Ltd holds 20 per cent of Foxtel's subscription TV licence, with Telstra holding the remainder.

Under the Foxtel partnership agreement, News Ltd has the right
Continued page 8

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