



FULLY FRANK

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Rubbish: cheaper to act now.

Filling us in with a few tips

WHEN Peter Jones talks rubbish people listen.

A world expert on the subject and author of the impending *Zero Waste 2015 London* plan, Peter is a little stunned by the Australian attitude to waste.

"I'm amazed you still have landfills in Australia emitting methane to the atmosphere," said Peter, who will open a regional innovation conference in Bendigo tomorrow.

"We will all have to account for greenhouse gases and carbon in the long run, but at the moment there is this idea that it can be emitted for free."

Peter said Australian landfill tips could probably make money by charging a gate fee of between \$10 and \$20 a tonne compared with \$100 and \$130 a tonne to properly process the waste.

He sees the key to bridging that cost gap and other carbon price gaps is to convince people with sound, independent science so that they don't feel like they are being hit with a backdoor tax or being fed a lie.

Peter also thinks that recycling needs to be tempered by true carbon accounting of the cost to send it offshore for processing.

In some cases, it may be cheaper and more effective to burn some waste to generate electricity or extract methane by processing it.

"It is like the transition from steam to diesel," he said.

"You can take the doom-and-gloom approach and say that a lot of miners are going to lose their jobs or you can embrace the new jobs."

"As the Stern report showed, it is much cheaper to act now than to wait until you are defending major cities or seeing major migrations of people."

A turn up in the fixed-rate market

HOME loan interest rates going up?

Well some of them are, with Commonwealth's fixed rates rising by up to 0.45 per cent from today.

While the one-year rate is remaining steady at 5.39 per cent, the five-year rate is up to 6.84 per cent from 6.39 and the 10-year rate is up from 6.99 to 7.39 per cent.

All fixed rates between two and 15 years are set to rise by between 0.2 and 0.45 per cent under the changes.

The other three big banks are understood to be reviewing their fixed rates, with some urging customers to fix very quickly to avoid pending rises.

The reason is that fixed-rate loans operate on a very different cycle to floating-rate loans, with the prime determinant being the cost of raising wholesale money for the given term at a particular time.

The other factor pushing fixed rates at the moment is that they are relatively unpopular, with the prospect of further falls in floating rates driving business in that direction.

Market perceptions that the Reserve Bank of Australia is nearing the end of the easing cycle for official cash rates has helped to push up wholesale fixed rates.

Dr Adir Shiffman, director of the home loan comparison website helpmechoose.com.au, said the rise in fixed rates would make them even more unpopular.

"We are seeing around 15 to 20 per cent of home loan shoppers looking for fixed-rate loans compared with around 80 per cent a couple of years

ago," he said. "Any further rises relative to floating rates will make fixed rates even more unpopular."

He said the time to shop for a fixed-rate loan was when rates were falling but before they bottomed.

"When people fix their rates to

avoid rate rises, they often have those rises already built into their rate," he said.

As for floating rates, Dr Shiffman said some gaps had opened up between the offerings by the major banks and it was a good time to be

shopping around for the best deal.

"With the possibility that the Reserve Bank could cut official rates again in the next few months, rates could be very volatile. The political pressure on the banks is going to be intense," he said.

