



Brotherhood  
of St Laurence

Working for an Australia free of poverty

Brotherhood of St Laurence  
67 Brunswick Street  
Fitzroy 3065 Victoria  
Telephone: 03 9483 1183

7 August 2015

Dear Climate Change Act Review Independent Review Committee members,

**RE: Brotherhood of St Laurence (BSL) submission to the Climate Change Act Review**

The BSL works for *an Australia free of poverty*. Our Research and Policy Centre's *Energy, Equity and Climate Change* program seeks to ensure low-income Australians are protected from the negative impacts of climate change and that responses to climate change do not increase social inequality.

Done the right way, taking action on climate change can make us a fairer and wealthier nation.

We welcome the Climate Change Act Review and the Government's commitment to 'positioning Victoria as a leader in responding to climate change; by mitigating risks, reducing emissions and adapting to the impacts of climate change'.

We limit our submission to the following brief comments and look forward to ongoing engagement with Government to develop effective and equitable responses to climate change.

**1. Disadvantaged Australians will bear disproportionate impacts of climate change**

Climate change will affect every Australian and many of its impacts are likely to hit disadvantaged households first and hardest. For example, older people on low incomes are particularly at risk of illness and mortality during heatwaves<sup>i</sup>, which are predicted to become more frequent and severe in south-eastern Australia<sup>ii</sup>. Their home is less likely to be insulated to mitigate against this<sup>iii</sup>, especially if they rent, rather than own it<sup>iv</sup>. There is also evidence to suggest they are less likely to use air-conditioning due to concerns about the cost<sup>v</sup>. Our research<sup>vi</sup> with users of a residential energy efficiency program for people on low incomes found that more than half the group were living in homes that were uncomfortably warm in summer. This will be exacerbated by climate change. Half the group reported cost as the main barrier to taking additional action to improve the energy performance of their home, corroborating other Australian evidence of cost as a commonly reported barrier to energy efficiency upgrades.<sup>vii</sup>

Victorians on low incomes spend a higher proportion of their income on energy and food than those on higher incomes<sup>viii</sup>. The costs of these essentials are projected to increase with the impacts of climate change and climate policy, stretching low-income household budgets further than ever before<sup>ix</sup>.

The Government must ensure responses are developed in ways that do not create greater disadvantage and inequity.

**RECOMMENDATIONS:**

The *Climate Change Act 2010* should be amended to:

- include ambitious greenhouse gas reduction targets in line with the best available science, to mitigate against climate change
- include a statement in the preamble acknowledging that disadvantaged Victorians risk bearing disproportionate impacts of climate change
- identify redressing the impacts of climate change on vulnerable populations in the purposes of the Act
- ensure Part 2 s.13 *Principle of community engagement* includes a requirement to involve low-income and disadvantaged Victorians in decision making relating to climate change responses and adaptation planning.

**2. Many low income and disadvantaged Australians want to be part of the solution but face barriers to effective climate change mitigation and adaptation**

Increasing numbers of Australians want action on climate change<sup>x</sup>. However having a low income can make it difficult to act. For example, many low-income households:

- do not have the upfront capital required to move to less emissions-intensive lifestyles<sup>xi</sup>. Being unable to afford energy-efficient appliances and homes leaves householders with a double burden of high greenhouse gas emissions and high energy bills
- are under-insured<sup>xii</sup>, making them more vulnerable to losses from extreme weather events like storms or floods
- depend on employment in industries such as agriculture and tourism<sup>xiii</sup> that are vulnerable to negative impacts of climate change<sup>xiv,xv</sup>.

This makes climate change not just an important environmental issue, but an important social issue too.

Actions to address the impacts of climate change for low-income and disadvantaged Victorians will only be successful if they're practical in the context of people's everyday lives<sup>xvi</sup> and are planned with the people who are affected<sup>xvii</sup>.

**RECOMMENDATIONS:**

That provisions in the *Climate Change Act 2010* that deal with the Climate Change Adaptation Plan be continued and strengthened by:

- recognising and addressing barriers to adaptation for low-income and disadvantaged Victorians
- requiring the adaptation plan to consider the specific impacts on those facing barriers to effective climate change adaptation, for example people on low incomes, older people and people living in vulnerable regions
- requiring involvement of low-income and disadvantaged Victorians in decision making relating to adaptation planning.

### 3. Energy efficiency works to decrease greenhouse gas emissions and energy bills

The BSL's experience delivering residential energy efficiency programs to Victorians on low incomes<sup>xviii</sup> shows that residential energy efficiency can help decrease greenhouse gas emissions and save money on energy bills. However, Victorian households with the lowest annual incomes have a lower prevalence of energy efficiency items such as insulation than households with the highest annual incomes<sup>xix</sup>.

Our research<sup>xx</sup> points to capital barriers to the high-value, high-return measures such as insulation, heating, cooling and hot water systems that will make a real difference to GHG emissions and energy bills. This is illustrated by comments from a participant in one of our programs:

*I can't afford it, to do it myself. For a long time on my water bill it used to say "You can save water by getting a plumber to do this, or that". But how much does a plumber or electrician cost? Sometimes people want to do the right thing but can't afford it. In the end, it comes down to the crunch. It's the bloody dollar.*

#### RECOMMENDATIONS:

That the *Climate Change Act 2010* recognises the critical role of energy efficiency in effective climate change mitigation and adaptation by:

- including a new Division in the Act to address energy efficiency
- (in relation to *residential* energy efficiency) giving consideration to making consequential changes to related legislation and programs, for example amending the *Residential Tenancies Act* to introduce minimum energy efficiency standards in rental properties and resourcing residential energy efficiency for low income and vulnerable households through, or linked to, the VEET scheme.

We commend the Government's commitment to improving the effectiveness of the *Climate Change Act 2010*. Action now is vastly preferred to the need for action later.

We look forward to engaging with you further in the development of this important reform.

Yours sincerely,

Rob Hudson  
Acting Executive Director

For further information or to discuss this submission, please contact Dr Victoria Johnson by email [vjohnson@bsl.org.au](mailto:vjohnson@bsl.org.au) or phone 03 9483 2480 or Damian Sullivan, Senior Manager Energy, Equity and Climate Change, by email [dsullivan@bsl.org.au](mailto:dsullivan@bsl.org.au) or phone 03 9483 1176.

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<sup>i</sup> Barnett, B, Beaty, RM, Chen, D, McFallan, S, Meyers, J, Nguyen, M, Ren, R, Spinks, A & Wang, X 2013, *Pathways to climate adapted and healthy low income housing*, National Climate Change Adaptation Research Facility, Gold Coast, Qld.

<sup>ii</sup> Intergovernmental Panel on Climate Change 2013, *Climate change 2013: the physical science basis*, IPCC.

<sup>iii</sup> Australian Bureau of Statistics 2010, *Household water, energy use and conservation Victoria*, ABS, Canberra.

<sup>iv</sup> *ibid.*

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- <sup>v</sup> Farbotko, C & Waitt, G 2011, 'Residential air-conditioning and climate change: voices of the vulnerable', *Health Promotion Journal of Australia*, vol. 22, no. 4, pp.13–15.
- <sup>vi</sup> Johnson, V, Totty, J & Sullivan, D 2013, *Improving the energy efficiency of homes in Moreland: Warm Home Cool Home and Concession Assist social research final report*, BSL, Fitzroy, Vic.
- <sup>vii</sup> Australian Bureau of Statistics 2013, *Household energy consumption survey, Australia: summary of results*, ABS, Canberra.
- <sup>viii</sup> Australian Bureau of Statistics 2011, *Household expenditure survey, Victoria, 2009–10*, ABS, Canberra.
- <sup>ix</sup> See, for example, Fritze, J, Ireton, G & Nissim, R 2007, 'I can't get no relief: climate change, food security and emergency relief provision', *Just Policy*, vol. 46, pp.36–39; and Dufty, G 2007, 'Electricity pricing: delivering social justice and environmental equity', *Just Policy*, vol. 46, pp.66–72.
- <sup>x</sup> The Climate Institute 2014, *Climate of the Nation 2014 Australian attitudes on climate change: are Australians climate dinosaurs?* The Climate Institute, Sydney.
- <sup>xi</sup> Garnaut, R 2008, *Final report*, The Garnaut Climate Change Review.
- <sup>xii</sup> Collins, D 2011, *Reducing the risks: Improving access to home contents and vehicle insurance for low-income Australians*, BSL, Fitzroy, Vic.
- <sup>xiii</sup> Australian Bureau of Statistics 2013, 'Employment in Australian industry', *Year Book Australia, 2012*, ABS, Canberra.
- <sup>xiv</sup> Department of Climate Change 2009, *Climate change risks to Australia's coast*, Department of Climate Change, Barton, ACT.
- <sup>xv</sup> Gunasekera, D, Kim, Y, Tulloh, C & Ford, M 2007, 'Climate change: impacts on Australian agriculture', *Australian Commodities*, vol.14, no. 4, pp. 657–76.
- <sup>xvi</sup> Riedy, C. 2012, 'Engaging communities in climate change adaptation', 21st NSW Coastal Conference: NSW Coastal Management – Coming of Age?, East Coast Conferences, Kiama, NSW, Australia, pp. 1–19.
- <sup>xvii</sup> Gardner, J, Dowd, A-M, Mason, C & Ashworth, P 2009, *A framework for stakeholder engagement on climate adaptation*, CSIRO Climate Adaptation Flagship working paper no.3.
- <sup>xviii</sup> Sustainability Victoria's *Energy and Water Task Force* (to 2010), the Federal Department of Water, Environment, Heritage and the Arts' *Solar City Warm Home Cool Home* (2009–2011) and the Federal Department of Industry and Science's *LIEEP Home Energy Efficiency Upgrade Program* (current).
- <sup>xix</sup> Australian Bureau of Statistics 2009, *Household water, energy use and conservation*, ABS, Canberra.
- <sup>xx</sup> Johnson, V, Totty, J & Sullivan, D *op cit*; and Sullivan, D & Johnson, V 2012, *The power to save: an equity assessment of the Victorian Energy Saver Incentive in metropolitan Melbourne*, BSL, Fitzroy.