

## Federal Election 2007

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### Climate change to affect the disadvantaged

#### *Why is this issue important?*

Scientific understanding about climate change now presents an overwhelming case for action. There is now growing awareness that significant changes in climate are occurring due to increasing human-generated greenhouse gas emissions. Increasing concentration of greenhouse gases in the atmosphere leads to rising temperatures and more extreme, unstable weather behaviour (IPCC 2007).

This points to climate change having widespread impacts on Australian society. In all parts of Australia, we can expect temperatures to rise, rainfall to change, sea level rise and extreme events to become more frequent and more intense. In turn, this will change the way we live, the way we work, our health, and the opportunities afforded to us as individuals.

These impacts will have a disproportionate effect on low income families and disadvantaged communities. Already we are seeing increases in food and fuel prices and those on low incomes are least equipped to absorb this. Many of these people live in areas that are more likely to be adversely affected by the impacts of climate change. And most of these people are less able than others to move away from, or make adjustments to avoid the impacts.

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#### *What are the facts?*

The expected impacts are many and varied. Examples include:

- **Health impacts** - This includes heatwaves and the changed distribution of water-borne diseases, food-borne diseases, exposure to solar radiation (skin cancer) and respiratory diseases.
- **Housing and public spaces** – including access to public open space for sport and recreation, the protection of our housing stock from extreme events, and particular ramifications for those in the most affected locations who are homeless or experiencing severe housing stress.

- **Impacts on rural Australia** – including the continued economic viability of some rural industries and the communities that are built around them, which raises the possibility of forced internal migration.
- **Indigenous Australians** – particularly those in remote communities in northern Australia will be disproportionately disadvantaged.
- **Refugees seeking humanitarian access** – especially from our Pacific neighbours, where rising sea levels and increased storms will have devastating consequences. The land areas affected, although relatively small, are home to millions of people, who will become displaced. Australia should be preparing for an influx of climate refugees (Sherrard & Tate 2007).

Generally speaking, disadvantaged Australians will be less able to install new technologies and adopt behavioural changes that will protect them from climate impacts, as is shown in the following examples:

#### **Lowered housing affordability**

The combination of accelerated structural fatigue – as a result of increased heat, wind and rainfall – will be compounded by extreme weather events becoming more frequent. Houses will be damaged, repair bills will go up, insurance premiums will go up and in some cases cover may be withdrawn. Rents will go up to cover repairs, and at the same time the value of some houses will go down. It is quite conceivable that climate change will create a new poor in Australia, as people are forced from their homes.

#### **Energy prices**

Australia is in the process of designing two emissions trading schemes, one by the Coalition and one by Labor. Irrespective of whichever scheme is used, electricity and petrol prices will rise. As a consequence, policy responses to climate change will have

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major implications for disadvantaged Australians. Disadvantaged Australians are likely to lack access to the financial resources and knowledge needed to install new technologies and adopt behavioural changes that will reduce their use of energy.

Increasing the price of carbon will result in an increase in costs across a wide range of goods and services. We can expect business to pass on this cost increases to consumers. This will have a much higher relative impact on low-income and disadvantaged households. A study commissioned by the Brotherhood of St Laurence, and Anglicare Australia member, showed that if energy were to rise by \$25 a tonne “poor households”<sup>1</sup> would experience a 2.8% increase in household expenditure compared to 0.4% for a high income tertiary educated household (NIEIR 2007).

<sup>1</sup> ABS Household Expenditure Surveys definition.

### ***Changes in the workforce***

Changes in electricity and petrol prices brought on by emissions trading will impact on industry. To remain competitive industry will need to change the way it uses energy. There is potential for energy-intensive industries to cut their labour forces to remain competitive. Inevitably some companies will respond better than others. Others will struggle to respond and may close down or alter their operations, effecting jobs. Many companies will take advantage of the opportunities around a move to renewable energy.

These are changes we can predict and plan for in order to avoid the sort of social upheaval that has characterised past phases of factory closures in traditional manufacturing communities. It is not just these manufacturing communities that face a challenging future. Rural areas where drought will become more prevalent are also at risk, as is the tourism industry, where many unskilled and transient workers are currently employed. Tourism based around the Great Barrier Reef and the snowfields are examples of areas that risk facing decline over coming decades.

### ***What would Anglicare Australia like to see?***

Anglicare Australia recognises and supports the need to act now on climate change and environmental degradation of any kind. However policy in this area must recognise the needs of Australians on low incomes and not affect them disproportionately.

There is a need to start planning and putting in strategies now. Social issues are vital in determining the adequacy and effectiveness of our response to climate change. Social justice in the national response to climate change should be our goal. Australia is a rich country with a strong economy and should be able to manage the challenges with clear thinking and early preparation.

Anglicare Australia would like to see the future government prepare for a surge in environmental refugees recognising that as a rich and highly polluting country in this region we have this responsibility to care for our neighbours.

***Social issues are vital in determining the adequacy and effectiveness of the Federal Government's response to climate change.***

Wilder weather events are predicted for Australia and future governments should be ready to help those that are not able to afford insurance for their belongings. A basic, means-tested home insurance scheme for people on low income similar in concept to the compulsory third party fire and theft schemes for cars should be funded. In addition better funding to recognise the input of volunteers in volunteer fire fighting and State Emergency Services should be enacted.

Careful design of emissions trading also presents an opportunity to help low income households. Dedicated programs are needed to provide assistance to households and communities in coping, and to help protect them from the physical impacts of climate

change. Promotion of household energy efficiency measures and more efficient energy use will help low income households reduce electricity bills. A well designed scheme will ensure that low income households are no worse off and may even be better off. This program could be funded from revenues raised through the emissions trading scheme itself. A dedicated national fund could be established from the proceeds of auctioning emissions permits to business.

One of the challenges in making such a program work is to make energy efficiency products and services more widely available to low income households. Demand for these products and services is already growing, and as growth continues we have a classic case of skills shortages in an emerging industry. This is an economic change we can anticipate and position ourselves for. Workers can be re-trained from those energy-intensive industries that are under threat.

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***NOTES FOR THE MEDIA:***

***This release is part of a series published by Anglicare Australia calling for government action on the income divide, housing affordability, climate change, reconciliation, and State and Federal relations.***

***The Anglicare Australia network is made up of 43 agencies in Australia who spend \$635 million every year supporting disadvantaged Australians. 20,000 volunteers and 10,000 staff provide services to almost 500,000 people in every state and territory of Australia at every stage of life. Anglicare agencies feel strongly that there is more to supporting people than simply meeting their immediate need and seeks to speak out to provide a strong voice for Anglican care in Australia.***

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## **References**

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