

## **Four Degrees or More? Conference - Melbourne 14 July 2011**

### *Climate Change in Australia: Social and Economic Impacts and Opportunities*

Remarks by Tony Westmore, Senior Policy Officer, Australian Council of Social Service

Good morning. Thanks to Peter and his colleagues for the extraordinary effort involved in bringing us together. Thanks for the opportunity to make some brief remarks ahead of a conversation.

Please let me begin by acknowledging the traditional owners of the land on which we meet and offering my respects to their elders, then and now.

I work for the Australian Council of Social Service as a policy analyst and advocate, mostly on issues affecting low income consumers in national energy markets. ACOSS is a national peak organisation representing the interlinked interests of low income and disadvantaged Australians, and the community services sector. The community services sector is a more than 30 billion dollar per annum sector of the national economy. We deliver services ranging from home care through legal services, child care through aged care. Those billions are in addition to the 121 or so billion dollars spent on payments through the transfer system. Payments through the transfer system account for a third of annual federal government expenditure. We are most keenly interested in households with incomes in the two lowest quintiles, in households and individuals experiencing disadvantage or vulnerability for economic or other reasons.

I don't know what motivates you in your work. One of the things that motivates me in my work is that our unemployment benefit, known as Newstart if you're unfamiliar, is currently paid at \$237 per week. That's the adult single rate; \$34 per day. Certainly more generous than in some places. But is that the best we can do?

ACOSS has, for some years, been engaged in consideration of the policy implications of both climate change and possible responses.

Our admittedly limited consideration of this vast mess of science, economics and politics has revolved around the notion that we can't have a healthy community without a healthy economy

and can't have a healthy economy without a healthy planet. All of our efforts to develop skills, encourage workforce participation, ease transitions between work and welfare, build inclusion and wellbeing, will come to nothing if even *some* of the more dire predictions for weather, sea level and salinity come to pass. We're of the view that low income households will be affected first and worst by climate change; they have less capacity to cope, to adapt, to move. Life on \$34 a day is somewhat constrained. While we do frame our approach through this lens - domestic disadvantage - I should note that we have an eye to the general national interest and the planet more generally.

### **The community services sector**

As I mentioned, the sector is a 30 plus billion dollar contributor to the Australian economy. It employs nearly 600,000 people. It is little evident to a lot of people. But we're in just about every corner of the country. And it is evident for people most of the people who need it, most of the time. ACOSS is researching the impacts of climate change on the sector and our clients, both in terms of insidious, slow change over time and the more dramatic and more recently illustrated change brought by extreme events. What we know is that our capacity to adapt is limited by limited resources. But what we are learning is that our ability to adapt, and to contribute to community-wide responses is real, innovative and expansive.

The Four Degrees conference program has ranged across the latest science and its prognosis for aquaculture, agriculture, settlements and human health. How utterly depressing. And, yet, you've come back today. I won't attempt to revisit much of the gloom. Nor do I want to anticipate any of this afternoon's speakers. However, in summary...

Can we mitigate? We must.

Can we adapt? It seems that we will have to.

With a view to certainties and risks, threats and opportunities, costs and benefits, I'll touch on three issues that I think are important at the moment. They're related but maybe not obviously.

### **The housing sector**

There are currently 8 million dwellings in Australia, give or take. Generally speaking we know very little about that stock. We know that it ranges from highly thermally efficient to stuff that should be torn down. We know that much of this stock is inadequate for the Australian climate as it is, let alone how it might be. We know that energy costs are surging at rates well beyond other price rises and that consumption for cooling has skyrocketed over the last decade. We know that fixing the energy sector is critical to the mitigation project. And we know that house by house, suburb by suburb, town by town, for relatively little money we could do a lot to increase energy use-efficiency, improve amenity, reduce general and peak demand, shift to distributed renewables (where that is cost effective). In many cases, for not much more money, we could take some additional steps to consider adaptation to two degrees of warming. They're dirty words I know but, *ceiling insulation*, there, *ceiling insulation*, is in many instances the most cost effective contribution that we currently have to both mitigation and adaptation. My point is that there are significant opportunities for low cost mitigation and adaptation, virtuously linked, geographically widespread, with potential to build enterprise and employment, some of it for low skilled workers. We ought to begin...

Just as an aside... on that front, I'll note that so-called *affordable* housing often isn't. Cheaply built housing on the urban fringe is often very expensive to occupy. It costs more to heat and cool, to move to and from. At two or three or four degrees of warming, some of that housing becomes dangerous to health and wellbeing and, really, quite pricey.

### **National energy policy**

A process begun in 2008, the project to develop an energy white paper, a framework for national energy policy, for domestic production and consumption and for export, came to a halt pending resolution of the carbon pricing issue. That issue is now resolved to some extent and the process has picked up again. In our view the intersection between energy policy and climate policy is critical. It is absolutely essential that your voices are raised and heard in that process. The white paper project has a wide ranging remit; extending across resource extraction, electricity generation, the transport sector, energy use-efficiency. We have just begun the task of

factoring 'externalities' into the economics of carbon intensive goods and services. It is really important, for policy affecting the next decade, that energy policy is alert to climate science.

### **Communication and engagement**

Climate change is happening. Now. One of my refrains through some of the more recent hours of carbon pricing groundhog day has been '*it's the climate, stupid*'. As we descended into the mire of the dreaded carbon tax we seemed to lose sight of its purpose. A carbon pricing mechanism, call it a *chocolate* or a *do-dad*, whatever...it will only really make sense to the community at large if it is understood as a response to something, and something immediate and dire. We need to better communicate what is happening, the impacts, our capacity to respond, the direct and indirect benefits from responses. We need to surmount short term self-interest. Or make this a matter of short term self-interest. To my mind one of the upsides of the delay in resolving the carbon price issue was that some of the emperors' clothes were ripped right off. The electricity price scam was revealed. The increases were not and were not likely to be about a carbon price but about peak demand and network infrastructure. On the other hand, and please don't think me perverse, the delay also meant that the Murray Darling story changed dramatically. And, I think, changed perceptions about climate change, or its immediacy. Somehow we need to tell the story better.

Look... I'm not really expert in these matters. But I've been speaking occasionally about climate change and responses for a while. The bit I struggle with now is the same as it was at the outset. How could we, as a near-global community, respond so quickly and sort of effectively to the global financial crisis... unanticipated (except by the OECD), violent, economy changing and damaging to the livelihoods of so many people and places... but not mount a similar level of collective pluck in response to the scenarios laid out here over the last few days? That's the bit that leaves me perplexed.

Our constituents will benefit from appropriate, measured, equitable responses to climate change, through the transitions, from the outcomes, deliberate and collateral.

Tony Westmore, ACOSS

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To paraphrase Professor Garnaut, amongst others, the cost of action is, ultimately, lower than the cost of inaction. The cost of early action is lower than for later action. Let's go.

Thanks.