

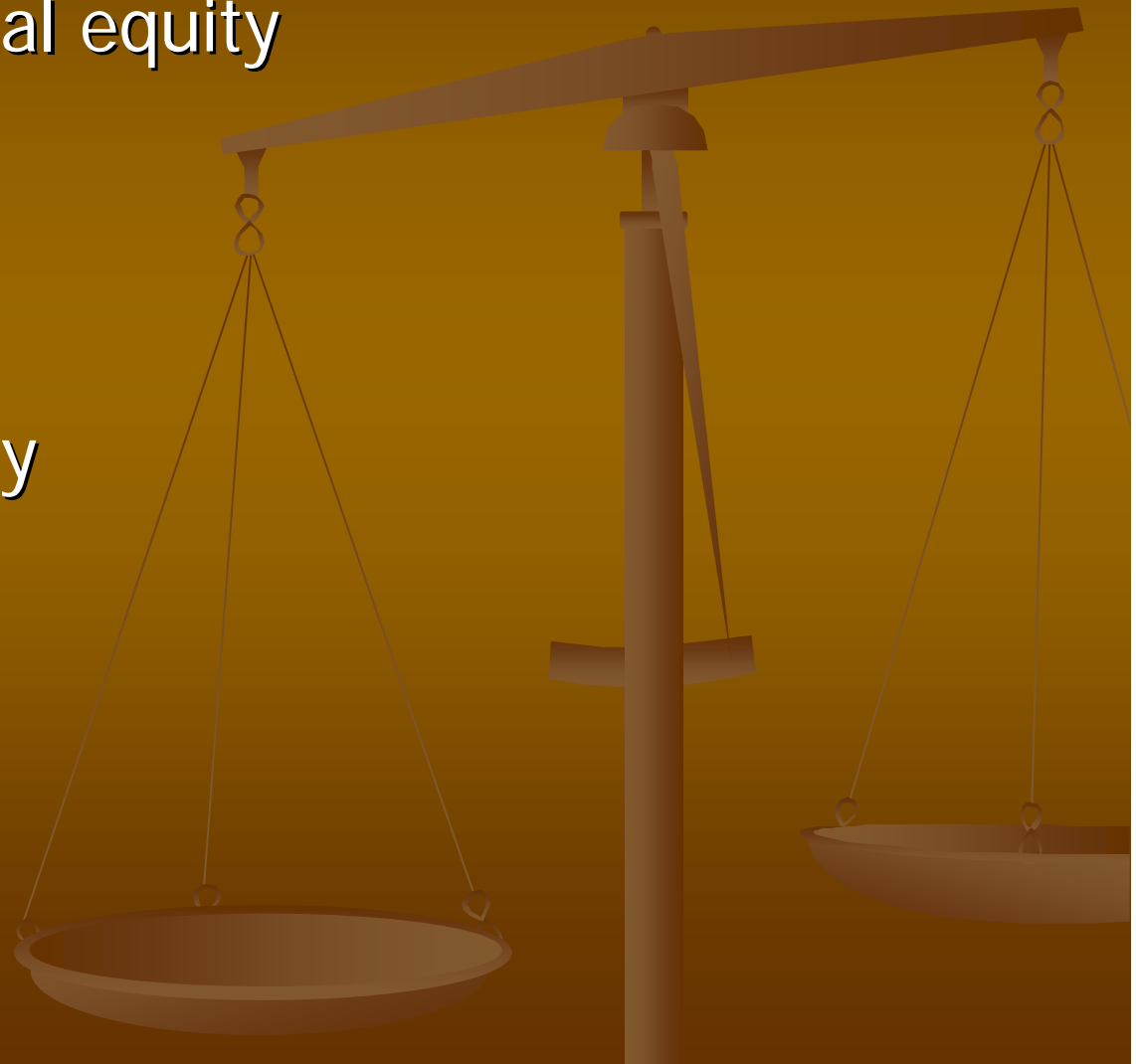


# Climate change: how does it affect low income households?

Presented by Michael Raper  
Shelter NSW conference 'Climate  
change', Sydney,  
Thursday 15 November 2007

# Four equity dimensions

- Intergenerational equity
- Global equity
- Corporate equity
- Equity

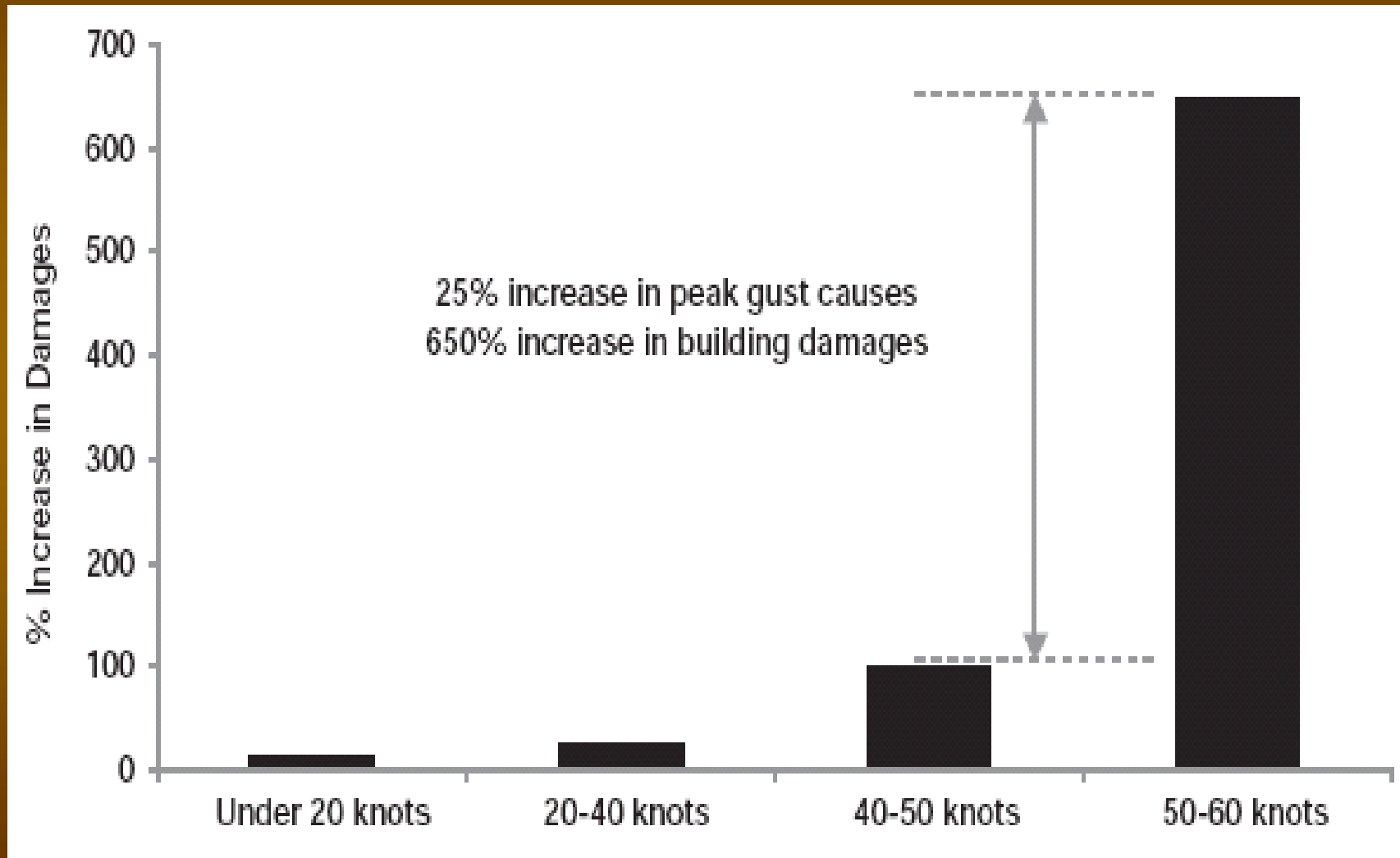


# The social impact of climate change

- Health
- Housing & public spaces
- Location
- Indigenous Australians
- Extreme weather events
  - e.g. wind



**Figure 1:** IAG building claims for different peak wind gust speeds

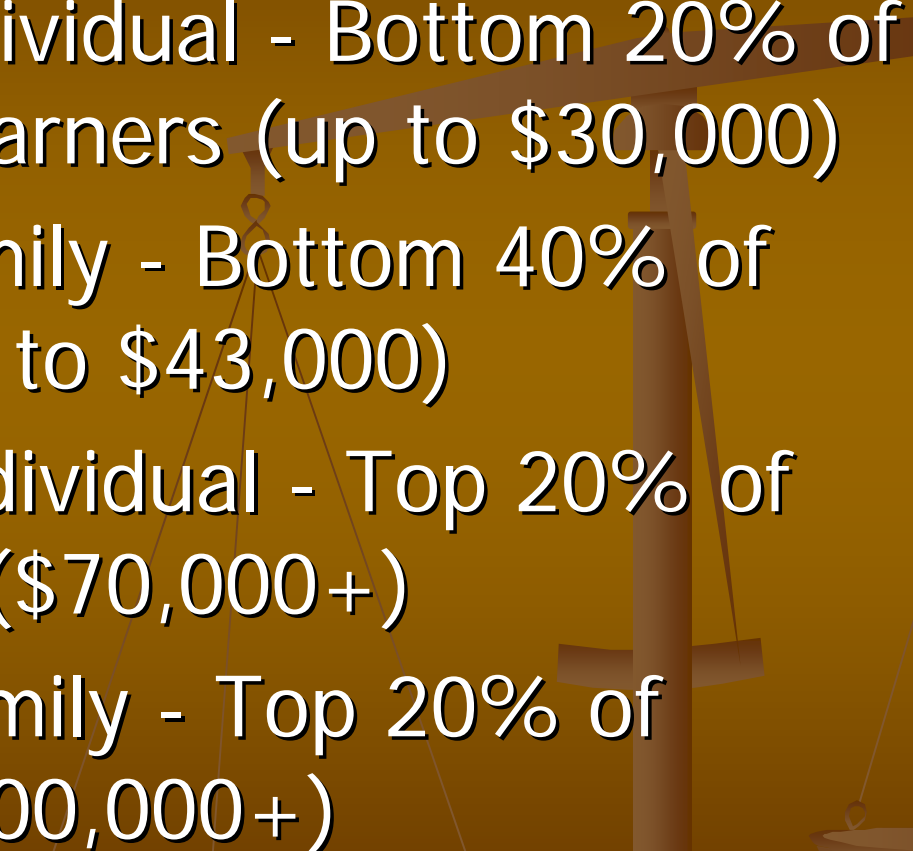


# Impact of climate change

- Insurance premiums
- Energy prices and access
- Employment
- Refugees seeking humanitarian access



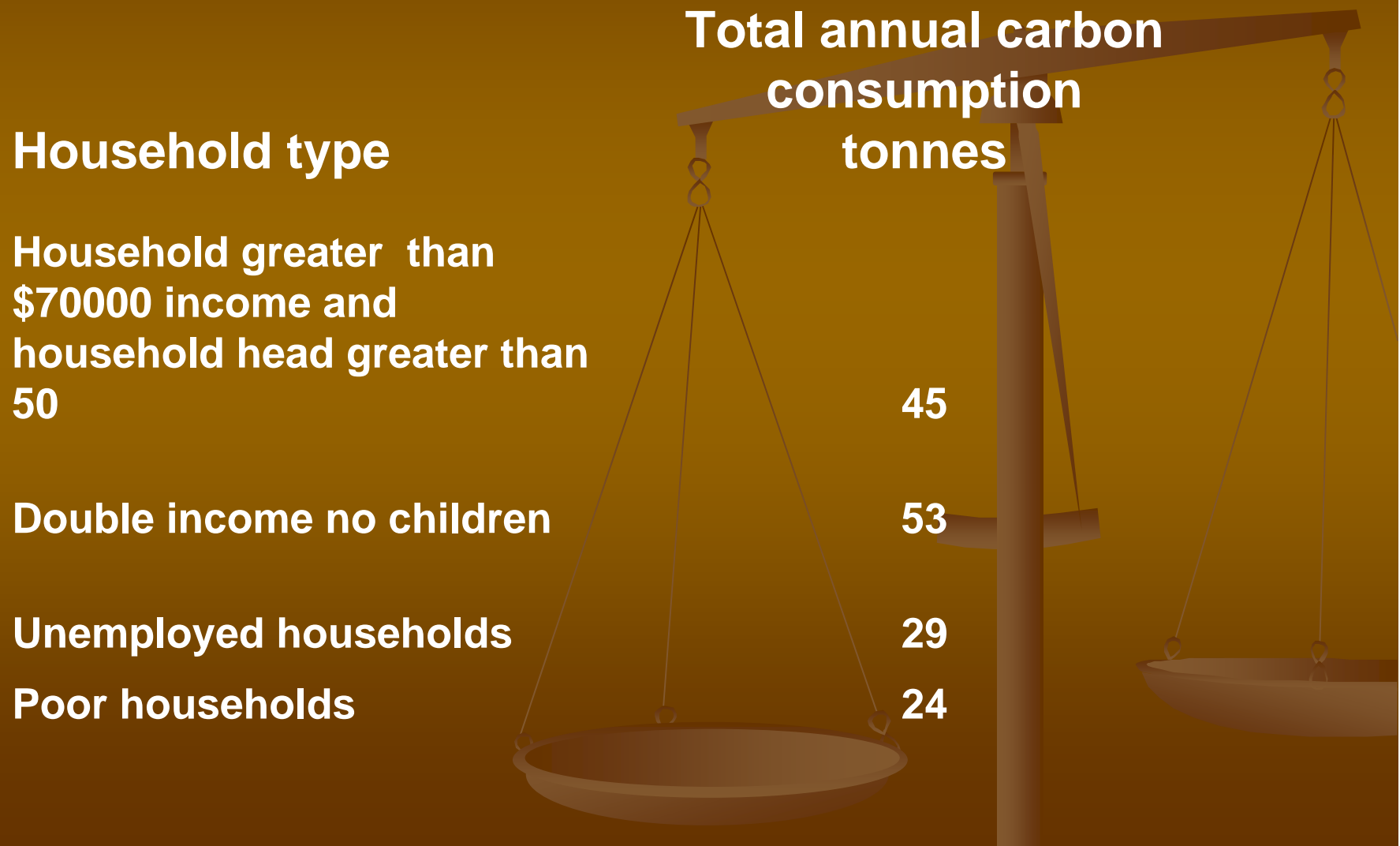
# Benchmarks for low and high incomes

- Low income individual - Bottom 20% of fulltime wage earners (up to \$30,000)
  - Low income family - Bottom 40% of households (up to \$43,000)
  - High income individual - Top 20% of fulltime wages (\$70,000+)
  - High income family - Top 20% of households (\$100,000+)
- 

## Australian Government concession cards and energy /utility concessions

Card type	Card holder numbers	Listed dependents	Access to energy /utilities concessions
Pensioner Concession Card	3,157,560	1,072,964	YES
Commonwealth Seniors Health Card	310,633	Not applicable	YES
Health Care Card	1,116,405	855,134	NO
(Low Income) Health Care Card	331,675	20,143	NO
<b>TOTALS</b>	<b>4,916,273</b>		<b>1,951,241</b>

# Low income household total annual carbon consumption in tonnes per annum




Household type	Utility scale	Carbon cost – \$2006		Carbon cost – % of annual expenditure		Utility adjusted carbon costs – \$2006		Utility adjusted carbon costs – % of annual expenditure	
		\$25	\$50	\$25	\$50	\$25	\$50	\$25	\$50
Household with children where government benefits exceed 30% of income	0.5	762.9	1525.8	1.8	3.7	417.3	834.5	1.0	<b>2.0</b>
Household with children where government benefits is less than 30% of income	0.4	1043.4	2086.8	1.5	3.1	387.6	775.1	0.6	<b>1.1</b>
Retired age pension households	0.5	615.9	1231.8	2.2	4.4	331.2	662.5	1.2	<b>2.4</b>
Employed family	0.4	1027.5	2055.0	1.5	3.1	397.3	794.6	0.6	<b>1.2</b>
Household with less than \$70000	0.4	774.1	1548.2	1.6	3.2	315.0	630.1	0.7	<b>1.3</b>
Household greater than \$70000 income and household head greater than 50	0.3	1115.3	2230.6	1.4	2.9	343.5	687.1	0.4	<b>0.9</b>
Double income no children	0.2	1332.9	2665.7	1.6	3.2	260.9	521.8	0.3	<b>0.6</b>
Unemployed households	0.8	735.7	1471.4	2.0	3.9	596.3	1192.5	1.6	<b>3.2</b>
Poor households	1.0	596.4	1192.8	2.3	4.6	596.4	1192.8	2.3	<b>4.6</b>
High income tertiary educated	0.3	1225.0	2450.0	1.4	2.9	321.1	642.3	0.4	<b>0.8</b>

# PM Task Group on Emissions Trading

- Dr Peter Shergold,
- Mr David Borthwick
- Mr Peter Coates
- Mr Tony Concannon
- Dr Ken Henry
- Mr Russell Higgins
- Ms Margaret Jackson
- Mr Michael L'Estrange
- Mr Chris Lynch
- Mr John Marlay
- Mr Mark Paterson
- Mr John Stewart



# Lessons from USA & UK – catch-up time!

- USA – Weatherization Program
  - UK – European Emissions Trading Scheme
    - Climate Change Levy
    - Renewables target
    - Energy Efficiency Commitment
    - Fuel poverty strategy
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# What is needed in Australia?



- 1. Emissions reduction target
- 2. Emissions Trading Scheme
- 3. Commitment to mandatory renewable energy targets
- 4. Policies and programs to address the impact of all these on low income and disadvantaged households and build equity into our national response:
  - energy pricing mechanisms
  - energy efficiency measures to reduce energy expenditure
  - financial compensation

# Policy & political challenges



- 1. Developing policy expertise in the sector.
- 2. Advocating the energy pricing, energy efficiency and financial compensation policies.
- 3. Injecting “equity” considerations for low income /disadvantaged households into agenda.
- \*4. Obtaining a significant share of ETS permit auction **revenue** towards “equity”.

# Election developments



- Leaders debate – 21/10/07

John Howard announces “climate fund”

- revenue from auctioning of ETS permits to go to low income households and research into new low emissions technology

- details? possibly via annual payment or rebate on energy bills

- it's not just about compensation

- it's about reduced energy consumption and therefore energy expenditure

# Housing developments

- ALP \$150m national plan (27/10/07)
  - Landlords to receive a rebate of up to \$500 to install insulation in rented properties
  - To reduce greenhouse gas emissions of 300,000 rental properties
  - 4 year plan – landlords can apply for a rebate of 30% of cost of insulation – up to \$500
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