



PO Box 518
Dickson
ACT 2602

Submissions
Garnaut Climate Change Review
Level 2, 1 Treasury Place
Melbourne VIC 3002

17 April 2008

Dear Mr Garnaut

In response to your call for submissions to the Garnaut Review on emissions trading, UnitingCare Australia makes the following submission.

UnitingCare Australia is an agency of the National Assembly of the Uniting Church in Australia (UCA). The agency represents the Church's UnitingCare network of community services of which there are over 400 nationwide.

The UnitingCare network is one of the largest providers of community services in Australia providing services to 1.8 million Australians each year, employing 35,000 staff and 24,000 volunteers nationally. It provides services to children, young people and families, Indigenous Australians, people with disabilities, the poor and disadvantaged, people from culturally and linguistically diverse backgrounds, and older Australians in urban, rural and remote communities.

UnitingCare is founded on the Uniting Church's basic Christian values and principles, such as the importance of every human being, the need for integrity in public life, the proclamation of truth and justice, the rights for each citizen to participate in decision-making in the community, religious liberty and personal dignity, and a concern for the welfare of the whole human race.

UnitingCare Australia is committed to values based advocacy, speaking with and on behalf of those who are the most vulnerable and disadvantaged, for the common good.

UnitingCare Australia recognises that uncontrolled climate change would raise significant moral and distributional issues, and supports Australia playing a leading role in global action to reduce greenhouse gas emissions.

The introduction of emissions trading is central to achieving significant reductions in Australian greenhouse gas emissions, providing incentives for the introduction of low emissions energy sources, and more efficient use of energy. Introducing emissions trading in isolation, however, would not be fair or the most effective way of reducing our national emissions.

Emissions trading will result in very large increases in the price of essential energy products, and would be likely to have highly regressive impacts on low income and

disadvantaged households unless these are prevented through well designed accompanying policy measures. It is also possible that emissions trading will result in increases in food prices or a general increase in inflation, reducing the purchasing power of people on fixed incomes.

These adverse impacts, particularly on low income groups, risk undermining public support for worthwhile emissions reductions action if they are not addressed as part of the package of measures accompanying the introduction of emissions trading.

Our discussions have identified three broad groups of policy option to address these undesirable social impacts:

- income support, such as increased social security payments, cash grants, tax cuts for those with taxable income;
- improved household energy efficiency, including insulation and improved household appliances;
- mobility assistance, including enhanced public transport, assistance with transport costs, support for low emissions transport options (including bikes and walking), and changes to improve access and service levels across all transport modes.

UnitingCare Australia considers that a combination of such accompanying measures will be required to properly address the impacts of emissions reduction policies on price and affordability. Targeted income support will be particularly important in the early phase, where the implementation (and benefits) of energy efficiency measures and other policies will almost certainly lag behind price increases.

Over the longer term, support for energy efficient practices and physical assets will grow in importance. We consider it would be wise to provide much of this support through agencies and groups that already have good relationships with low income and disadvantaged groups.

The Kildonan Energy Efficiency Project is an example of how our network is working with low income Australians to address their energy needs. Kildonan works in partnership with various energy companies to assist consumers better understand their energy usage. Through this work we aim to align usage with affordability.

In home energy efficiency audits are conducted to help share information about energy efficiency, and assist customers to reduce their energy bills. The visits are designed so that we get the best possible result for the consumer.

The purpose of the audit is to find ways to help reduce the cost of energy bills without changing the comfort levels in the person's home. Consumers can make a significant saving on gas, electricity and water through practical, low or no cost changes. Further information about the Energy Efficiency Project is available by contacting Marie Andrews, Program Manager, on (03) 8401 0148 or 0414 507 023.

It is important to recognise that Australia does not face a choice between protecting equity and protecting the environment. None of these policy options would reduce the incentive effects of emissions trading. Instead, most of these options would both enhance the fairness of policy action and improve the effectiveness of policy in achieving sustained reductions in energy use and emissions. It is also clear that auctioning emissions permits would provide ample funding for ensuring that the

introduction of emissions trading has no negative impact overall on low income and disadvantaged groups.

UnitingCare Australia would not be able to support a policy package that disadvantages low income Australians.

We look forward to reading the findings and recommendations of the Garnaut review and to working with you to facilitate the best outcome possible for low income Australians with the introduction of an emissions trading scheme. Please contact Lin Hatfield Dodds, UnitingCare Australia National Director on 0408 402 222 to discuss this submission further.

Yours sincerely



Lin Hatfield Dodds
National Director
UnitingCare Australia

