



Tasmanian Council of Social Service Inc.

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# TasCOSS Submission on Climate Action Plan Opportunities Paper

April 2021



**INTEGRITY  
COMPASSION  
INFLUENCE**

## About TasCOSS

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TasCOSS' vision is for one Tasmania, free of poverty and inequality where everyone has the same opportunity. Our mission is two-fold: to act as the peak body for the community services industry in Tasmania; and to challenge and change the systems, attitudes and behaviours that create poverty, inequality and exclusion.

Our membership includes individuals and organisations active in the provision of community services to low-income Tasmanians living in vulnerable and disadvantaged circumstances. TasCOSS represents the interests of our members and their service users to government, regulators, the media and the public. Through our advocacy and policy development, we draw attention to the causes of poverty and disadvantage, and promote the adoption of effective solutions to address these issues.

Please direct any enquiries about this submission to:

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## Introduction

Thank you for the opportunity to make a submission to the development of Tasmania's next Climate Change Action Plan.

As the evidence for the acceleration of global heating and of its emerging impacts builds, it is clear that climate change is now an issue that is front of mind for significant proportions of the population.

### **Climate change is a key issue for Tasmanians.**

The ABC's 2019 Australia Talks survey found that 82% of Tasmanians agreed that Australia needs to take action on climate change, even if larger polluters do not act, and that 67% would be willing to pay something personally to this end -- \$100 or more a year, 53% said.<sup>1</sup>

### **Climate change is a key issue for Australians on low incomes.**

The ABC's 2019 Australia Talks survey found that among Australians with weekly incomes of under \$600/week, 74% agreed that Australia needs to take action on climate change, even if larger polluters do not act, and 57% would be willing to pay something personally to this end -- \$100 or more a year, said 35%.<sup>2</sup>

### **Climate change is a top priority issue for young Australians and Tasmanians.**

The ABC's 2019 Australia Talks survey found that 89% of Australians aged 18-24 agreed that Australia needs to take action on climate change, even if larger polluters do not act, and that 71% would be willing to pay something personally to this end--\$100 or more a year, 54% said.<sup>3</sup> In the same year:

- 43% of respondents to the ABC's annual youth survey aged 18-29 identified climate change as the biggest issue facing their generation, replacing jobs and housing.<sup>4</sup>
- 53% of Australian girls and young women identified climate change as the single most pressing issue facing both their personal futures and the world.<sup>5</sup>
- Participants in the Tasmanian Commissioner for Children and Young People's (CCYP) Youth Ambassador Program identified climate change and environmental health as one of their seven key concerns.<sup>6</sup>

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<sup>1</sup> <https://www.abc.net.au/news/2020-12-10/australia-talks-data-explorer/12946988#/responses/how-much-more-would-you-personally-be-willing-to-spend-each-year-to-help-prevent-climate-change>

<sup>2</sup> (<https://www.abc.net.au/news/2020-12-10/australia-talks-data-explorer/12946988#/responses/how-much-more-would-you-personally-be-willing-to-spend-each-year-to-help-prevent-climate-change>). Unfortunately, Tasmanian results currently cannot be broken down by income level.

<sup>3</sup> <https://www.abc.net.au/news/2020-12-10/australia-talks-data-explorer/12946988#/responses/how-much-more-would-you-personally-be-willing-to-spend-each-year-to-help-prevent-climate-change>

<sup>4</sup> <https://www.abc.net.au/triplej/programs/hack/whats-up-in-your-world-survey-names-climate-change-top-issue/11525658?fbclid=IwAR2X-rjI8XhUsvlyWiUgs12SzFzLOuekgGn743UK5WWaPxEQkO3DJ8Hh5vA>

<sup>5</sup> <https://www.plan.org.au/-/media/plan/documents/learn/publications/she-has-a-plan-report.pdf?la=en&hash=902A1FC5F2DA721908503F2B83639A99B8676A0D>

<sup>6</sup> <https://www.childcomm.tas.gov.au/wp-content/uploads/CCYP-Listening-to-Children-and-Young-People-Report-2019-WEB.pdf>

- 44.1% of Tasmanian participants in Mission Australia’s 2020 Youth Survey identified the environment – a category which included climate change – as the most important issue in Australia today, making it the top-ranking issue in the state.<sup>7</sup>

### **Climate change is a social justice issue**

While all Australians are vulnerable to the effects of climate change, the impacts of climate change are and will be felt inequitably and will drive social inequality in the future.<sup>8</sup> Mitigating future climate change and adaptation to ongoing climate changes are therefore social justice issues, particularly for young Tasmanians who will arguably bear the brunt of such impacts in the longer term.

Our comments are informed by conversations with Tasmanians and with our members, as well as TasCOSS and ACOSS research. They are framed by the questions posed by the Opportunities Paper released in the context of this consultation.

## **Key Issues**

### **Mitigation**

#### **1. What do you think are the key opportunities to reduce Tasmania’s emissions? Please choose your top three.**

From the perspective of Tasmanians on low incomes, three key opportunities are:

- 1. Boosting home energy efficiency**
- 2. Reducing the use of wood heaters**
- 3. Reducing emission from transport**

#### **1. Boosting home energy efficiency.**

Tasmania’s average household electricity consumption is 68% higher than the average Australian household electricity consumption (7908 kWh, compared to 4697),<sup>9</sup> and energy makes up a more substantial proportion of Tasmanian household spending than it does in other states (3.8%, Australia 2.9%).<sup>10</sup> Despite (or perhaps related to) these facts, Tasmanians still have a long way to go in boosting home energy efficiency. As of 2014 (the latest data available):

- 51% of Tasmanian dwellings did not have reverse cycle heating/cooling systems

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<sup>7</sup> <https://www.missionaustralia.com.au/publications/youth-survey>

<sup>8</sup> <https://www.un.org/development/desa/dpad/publication/wess-policy-brief-the-nexus-between-climate-change-and-inequalities/>

<sup>9</sup> Goanna Energy Consulting (2021) Tasmanian residential electricity prices: how do they compare? Report for TasCOSS.

<sup>10</sup> ABS 6530.0, Household Expenditure Survey, Tables 13.7, 19.3)

- 9% of dwellings had no insulation, and the insulation status of an additional 11% was unknown.<sup>11</sup>

Meanwhile, there currently are only 40,310 small-scale solar PV systems in Tasmania – less than 17.5%<sup>12</sup> of Tasmania’s 2016 figure of 229,710 private dwellings<sup>13</sup> -- and only 491 solar PV systems with concurrent battery storage.<sup>14</sup>

The issue of excess consumption due to lack of energy efficiency measures is particularly, although not exclusively, relevant to:

- Hardship and payment plan customers. The 2020 Australian Competition and Consumer Commission (ACCC) Inquiry into the National Electricity Market found that nationwide, hardship and payment plan customers – the groups least likely to have energy efficiency measures such as solar PV systems or energy efficient housing or appliances – had significantly higher use of electricity from the grid than residential customers in general, with median annual usage of:
  - Residential standing offer customers: 3988 kWh
  - Residential market offer customers: 4630 kWh
  - Residential payment plan customers: 7079 kWh
  - Residential hardship customers: 7771 kWh.<sup>15</sup>
- Renters. Up to 40% of Australian households who rent their housing experience energy hardship,<sup>16</sup> in many instances due to excessive consumption due to a lack of energy efficiency measures.
- People on low incomes. Energy makes up 6.3% of gross household expenditure for Tasmanian households in the lowest income quintile – who are less likely to be able to afford energy efficiency measures -- compared to 3.8% for Tasmanian households overall.<sup>17</sup>

TasCOSS has called on the Tasmanian Government to establish a Household Energy Efficiency Program (HEEP) to deliver:

- Energy efficiency upgrades for all Tasmanian social housing, including public, community and Tasmanian Aboriginal housing.
- A grant program for homeowners on low incomes to invest in energy efficiency upgrades to existing homes.

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<sup>11</sup> ABS 4602.0.55.001, Environmental Issues: Energy Use and Conservation, Tables 5, 6.

<sup>12</sup> The figure of 17.5% is a maximum both because of increased dwelling numbers and because some proportion of small scale solar PV systems are on small businesses.

<sup>13</sup> ABS Census 2016 Quickstats.

<sup>14</sup> These figures include both <http://www.cleanenergyregulator.gov.au/RET/Forms-and-resources/Postcode-data-for-small-scale-installations#Summary-of-postcode-data>.

<sup>15</sup> ACCC 2020, Inquiry into the National Electricity Market, Supplementary Report, <https://www.accc.gov.au/publications/inquiry-into-the-national-electricity-market-september-2020-report>

<sup>16</sup> [https://www.ahuri.edu.au/\\_\\_data/assets/pdf\\_file/0016/65500/AHURI-Final-Report-338-Warm-cool-and-energy-affordable-housing-policy-solutions-for-low-income-renters.pdf](https://www.ahuri.edu.au/__data/assets/pdf_file/0016/65500/AHURI-Final-Report-338-Warm-cool-and-energy-affordable-housing-policy-solutions-for-low-income-renters.pdf)

<sup>17</sup> ABS 6530.0, Household Expenditure Survey, Tables 13.7, 19.3)

- An incentives program targeted at landlords to improve the energy efficiency standard of existing rental properties.<sup>18</sup>

## 2. Reducing the use of wood heaters.

In 2019, 30% of Tasmanian households were heated by wood,<sup>19</sup> a practice that has health implications as well as contributing to emissions. Conversion from wood heaters to reverse cycle heating/cooling systems falls under the energy efficiency upgrades to be delivered by TasCOSS' proposed Household Energy Efficiency Program (HEEP).

## 3. Reducing transport emissions.

Four of five actions under the priority area *Reducing Transport Emissions* of the Tasmanian Government's Climate Action 21 Implementation Plan focus on initiatives unlikely to help Tasmanians on low incomes change their transport use patterns, including supporting electric vehicle uptake in Tasmania, extending the Smarter Fleets program, and greening the Tasmanian Government transport fleet. The public transport action ("Support public transport uptake through improved service provision and use of planning tools to align developments with effective public transport networks") lacks detail or targets.<sup>20</sup>

The Tasmanian government can make it easier for Tasmanians on low incomes who live rurally to shift from cars to buses by:

### a. Bringing non-metropolitan fares into line with Metro fares.

Users of non-metropolitan general access services pay significantly higher prices than Metro riders for equivalent distances, due to differences in pricing, concession structures, Greencard discounts, and daily caps. For example, for a concession adult, a trip from New Norfolk to Hobart (35.5kms) costs 2.3 times as much as the Metro Greencard fare from Blackman's Bay to Brighton (42.5kms), and 1.2 times as much as the Greencard fare from Kettering to Hobart (33kms).<sup>21</sup>

### b. Continuing to expand rural transport services such as Area Connect.

Services such as Area Connect not only reduce the emissions from individual vehicle trips, but also can be funded to expand the state's fleet of lower/low-emissions vehicles (newer models, hybrids, electric

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<sup>18</sup> TasCOSS 2021-22 Budget Priorities Statement, Household Energy Efficiency Initiatives. <https://tascoss.org.au/home/for-members/vaults/?documentid=210319025309-2f04fe5836e94b0e474a02c435587f4e&folderid=33e33d5c-de9b-4b96-b460-c17e46781e11>

<sup>19</sup>

[https://health.tas.gov.au/\\_data/assets/pdf\\_file/0005/398174/Report\\_on\\_the\\_Tasmanian\\_Population\\_Health\\_Survey\\_2019.pdf](https://health.tas.gov.au/_data/assets/pdf_file/0005/398174/Report_on_the_Tasmanian_Population_Health_Survey_2019.pdf)

<sup>20</sup>

[http://www.dpac.tas.gov.au/\\_data/assets/pdf\\_file/0019/350560/892\\_DPC\\_TCCO\\_Climate\\_Action\\_Implementation\\_Plan\\_FIN\\_AL.pdf](http://www.dpac.tas.gov.au/_data/assets/pdf_file/0019/350560/892_DPC_TCCO_Climate_Action_Implementation_Plan_FIN_AL.pdf)

<sup>21</sup> <https://www.metrotas.com.au/fares/> ; <http://derwentvalleylink.com.au/fares/> . Concession fares for non-urban bus routes continue to be distance-based fares, set at half the price of a full adult fare [https://www.transport.tas.gov.au/public\\_transport/concessions/changes\\_to\\_concessions](https://www.transport.tas.gov.au/public_transport/concessions/changes_to_concessions)

or hydrogen-powered vehicles). The recent announcement that Area Connect will expand to 16 local government areas is welcome; potential still exists for the service to be extended to all local government areas and to provide more urban feeder services.

## 2. What do you think are the key gaps in Tasmania's current efforts to reduce emissions?

Tasmania's current approaches to reducing household emissions that rely on individuals investing in expensive technology – reverse cycle heating/cooling, solar PV systems/hot water systems, battery systems, hybrid/electric vehicles – will have only limited success given that Tasmania has the lowest median incomes in the country, the nation's highest proportion of low income earners, and 87% of residents earning \$80,000 or less per annum.<sup>22</sup>

Greater government investment in and subsidisation of energy efficiency upgrades will be necessary to ensure that low-income households have access to emissions-reducing technologies, as outlined in TasCOSS' proposed HEEP.

## 3. What do you think are the main opportunities for Tasmania to transition to a low carbon economy?

TasCOSS' HEEP proposal, costed at a \$125m State Government investment over four years, is a comparatively cost-effective way of lowering household emissions, especially given that the proposal would generate jobs for 3750 Tasmanian workers, give low income households \$45.4m per year to spend elsewhere in the Tasmanian economy, and contribute an additional \$475m to the state's GDP.<sup>23</sup>

## Adaptation

### 1. What aspects of Tasmania's projected future climate most concern you and why?

TasCOSS' greatest concern in regard to Tasmania's future climate relates to the impact of climate-change-related natural disasters (bushfire, flood) on Tasmanians who cannot afford insurance.

#### **Tasmanians on low incomes live in homes which are more at risk from a changing climate.**

In Tasmania as elsewhere, low income earners often live in areas likely to be adversely affected by climate-change driven natural disasters. In particular they live at increased incidence of bushfires and flooding, but also coastal erosion.

Nearly 30% of Tasmanians in the first (lowest) and second income quintiles live in a home at risk of bushfire (28.1% and 28.3% respectively).<sup>24</sup> Put differently, some 36% of Tasmanian homes at risk of

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<sup>22</sup> ATO, Taxation Statistics 2017-18 (Table 7A), <https://www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/Taxation-statistics/Taxation-statistics-2017-18/?anchor=Individualsdetailedtables#Individualsdetailedtables>

<sup>23</sup> TasCOSS 2021-22 Budget Priorities Statement, Household Energy Efficiency Initiatives. <https://tascoss.org.au/home/for-members/vaults/?documentid=210319025309-2f04fe5836e94b0e474a02c435587f4e&folderid=33e33d5c-de9b-4b96-b460-c17e46781e11>

<sup>24</sup> Defined as living within 100 metres of bushland larger than one hectare.

[https://www.dhhs.tas.gov.au/\\_data/assets/pdf\\_file/0020/248240/TPHS2016\\_findings\\_SH\\_further\\_edits\\_on\\_FN\\_track\\_changes.pdf](https://www.dhhs.tas.gov.au/_data/assets/pdf_file/0020/248240/TPHS2016_findings_SH_further_edits_on_FN_track_changes.pdf)

bushfire belong to Tasmanians in the first and second income quintiles (18.2% and 18.3% respectively).<sup>25</sup> Risk is more likely in rural areas or small (<900) towns, which have lower incomes than major urban areas: in 2016, some 41% of Tasmanian rural dwellers and 44% of residents of small towns had annual incomes of less than \$34,000.<sup>26</sup>

Among low-income Tasmanians living in properties at risk of bushfire, the elderly are over-represented; 31.5% of first-quintile Tasmanians at risk of bushfire are aged 65+, and 37.1% of second-quintile Tasmanians.<sup>27</sup> Similarly, among elderly people living in properties at risk of bushfire, people on low incomes appear to be over-represented.

Some of Tasmania's most flood-prone regions are also areas of low income. The 2016 median weekly equivalised total household incomes for Sheffield/Railton and Latrobe, which were hit hard by the 2016 floods, were \$602 and \$624 respectively, compared to Tasmania's \$714.<sup>28</sup>

### **Tasmanians on low incomes are less likely to have insurance against a range of impacts.**

Across Australia, non-insurance has been shown to be clearly related to financial exclusion.<sup>29</sup>

Tasmanians on low incomes are less likely to have:

- *Building insurance.* In 2015, an estimated 4,300 owner-occupied Tasmanian households did not have building insurance.<sup>30</sup> Many of these may be in high-risk areas: research in high-risk areas of Victoria found that 26% of households were uninsured, of whom 72% were on low incomes.<sup>31</sup> In 2012, 40% of people without building insurance cited expense as a reason.<sup>32</sup>
  - Lack of building insurance may have particular implications for renters: Australia-wide, while low proportions of owner-occupiers (2-4%) lack building insurance,<sup>33</sup> in 2012, 19% of rental houses were without building cover, meaning that these properties could be lost to the rental market if they were severely damaged.<sup>34</sup>
  - Other people who may be at risk are older Tasmanians. A 2007 study found that people who owned their house outright were more than twice as likely as those with mortgages to lack building insurance (6%, compared to 2.2%).<sup>35</sup>

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<sup>25</sup> Private communication, Epidemiology Unit, Dept. of Health, 18 Oct 2019.

<sup>26</sup> ABS Census 2016

<sup>27</sup> Private communication, Epidemiology Unit, Dept. of Health, 18 Oct 2019

<sup>28</sup> ABS Regional Data, 2016 ; [http://www.dpac.tas.gov.au/\\_data/assets/pdf\\_file/0015/332610/floodreview.pdf](http://www.dpac.tas.gov.au/_data/assets/pdf_file/0015/332610/floodreview.pdf)

<sup>29</sup> Tooth and Barker 2007; Tooth 2015. Australia-wide, households are more likely to be insured if they described themselves as able to raise \$2000 in an emergency, particularly if those funds would come from their own savings, while people who are unemployed or who are short of money are more likely to be uninsured. Tooth, R (2015) Analysis of demand for home and contents insurance. Insurance Council of Australia.

<sup>30</sup> [https://www.insurancecouncil.com.au/assets/report/27082015%20-%20Analysis\\_of\\_demand\\_for\\_home\\_and\\_contents%20\(1\).pdf](https://www.insurancecouncil.com.au/assets/report/27082015%20-%20Analysis_of_demand_for_home_and_contents%20(1).pdf)

<sup>31</sup> <https://vcoss.org.au/wp-content/uploads/~2017/05/Insurance-Discussion-Paper-final-130417.pdf>

<sup>32</sup> Tooth, R (2012) Australian household insurance: understanding and affordability (Sapere Research Group), p. 21. Respondents could give multiple reasons.

<sup>33</sup> Tooth and Barker 2007; Tooth 2012; Tooth 2015.

<sup>34</sup> Tooth 2012, p. 23.

<sup>35</sup> Tooth and Barker 2007, p. 13.

- *Contents insurance.* In 2015, an estimated 35,000 Tasmanian households did not have contents insurance, which not only covers property but in some cases (RACT, for instance) will cover some temporary accommodation for renters while a rental property is being rebuilt or repaired.<sup>36</sup> In one 2011 study:
  - Rates of non-insurance for contents are particularly high for renters: Australia-wide, a 2007 study found that 67% of renters did not have contents insurance, compared with 12% of owner-occupiers.<sup>37</sup> More recently, 2016 research in Victorian high-risk areas showed that 52% of renters had no contents insurance.<sup>38</sup>
  - Rates of non-insurance for contents also rise as income and savings drop: the rates of non-coverage for contents among people with low incomes (<\$25k) and low savings (<\$2k) are nearly six times those for people with higher incomes (>\$70k) and higher savings (>\$100k) (around 23%, compared to around 4%).<sup>39</sup>
- *Health and/or income protection insurance* covering the impact of insect-borne diseases, which are already showing increased incidence, or of natural disasters.<sup>40</sup>

### **Tasmanians on low incomes are more likely to be underinsured to the point of being unable to rebuild.**

Underinsurance is a growing risk, given the consistently rising costs of building overall (Australia-wide, an average rate of 6.8% p.a. in recent years)<sup>41</sup> and new requirements for rebuilding in bushfire- or flood-prone areas, which can add significantly to rebuilding costs.<sup>42</sup> In one 2011 study, between 7.5% and 21% of low-income respondents said that they would like more building insurance, and between 29% and 60% of low-income survey respondents said that they would like more contents cover.<sup>43</sup>

Cost is the greatest barrier to increased insurance cover for low-income Australians.<sup>44</sup> For example, an estimated 31-33% of households in Glenorchy's lowest SES SA1s are underinsured for home and/or contents, compared to 14-15% of households in Hobart's highest SES SA1s.<sup>45</sup>

<sup>36</sup> [https://www.insurancecouncil.com.au/assets/report/27082015%20-%20Analysis%20of%20demand%20for%20home%20and%20contents%20\(1\).pdf](https://www.insurancecouncil.com.au/assets/report/27082015%20-%20Analysis%20of%20demand%20for%20home%20and%20contents%20(1).pdf) ;  
[file:///C:/Users/wynne/Downloads/RACT Insurance Home PDS June 2019.pdf](file:///C:/Users/wynne/Downloads/RACT%20Insurance%20Home%20PDS%20June%202019.pdf)

<sup>37</sup> Tooth and Barker 2007, p. 12.

<sup>38</sup> <https://vcoss.org.au/wp-content/uploads/~2017/05/Insurance-Discussion-Paper-final-130417.pdf>

<sup>39</sup> Tooth and Barker 2007, p. 16.

<sup>40</sup> [https://www.dhhs.tas.gov.au/publichealth/communicable\\_diseases\\_prevention\\_unit/infectious\\_diseases/ross\\_river](https://www.dhhs.tas.gov.au/publichealth/communicable_diseases_prevention_unit/infectious_diseases/ross_river) ;  
[https://healthywa.wa.gov.au/Articles/N\\_R/Ross-River-virus-and-Barmah-Forest-virus](https://healthywa.wa.gov.au/Articles/N_R/Ross-River-virus-and-Barmah-Forest-virus)

<sup>41</sup> <https://www.allianz.com.au/home-insurance/news/the-cost-of-building-a-house> ; <http://www.bal.net.au/cost.htm>

<sup>42</sup> <http://atlasarchitects.com.au/blog-posts/3-things-to-consider-when-buying-in-a-bushfire-prone-area/>

<sup>43</sup> [http://library.bsl.org.au/jspui/bitstream/1/5982/1/Collins Reducing the risks insurance 2011.pdf](http://library.bsl.org.au/jspui/bitstream/1/5982/1/Collins%20Reducing%20the%20risks%20insurance%202011.pdf) , p. 25.

<sup>44</sup> [http://library.bsl.org.au/jspui/bitstream/1/5982/1/Collins Reducing the risks insurance 2011.pdf](http://library.bsl.org.au/jspui/bitstream/1/5982/1/Collins%20Reducing%20the%20risks%20insurance%202011.pdf) , p. 26.

<sup>45</sup> Booth, K and D Kendal (in press) Underinsurance as adaptation: household agency in places of marketization and financialization. *EPA: Economy and Space*.

## **Tasmanians on low incomes are less likely to be able to absorb insurance premium rises.**

This means they are less likely to either to keep properties insured at replacement levels or to keep them insured at all.<sup>46</sup> In recent years, property insurance prices have risen sharply Australia-wide. Between 2009 and 2014, home building insurance costs rose at six times the rate of the CPI, and contents insurance costs at twice the rate of the CPI.<sup>47</sup> Premiums are predicted to continue to rise across Australia in upcoming years, with over 5% of properties – predominantly those highly exposed to bushfire, flooding and inundation -- predicted to have annual building insurance premiums in excess of 1% of property value by 2030.<sup>48</sup>

The risk of insurance premiums exceeding capacity to pay is particularly high in relation to flooding, which imposes higher premiums than many other risks.<sup>49</sup> According to one analysis, for example, the average annual insurance premium in Huonville is projected to rise by 17% by 2050 and 96% by 2100 due to flood risk.<sup>50</sup> The Tasmanian Flood Map project is likely to upgrade the flood risk on many properties, with probable rises in premiums for reclassified properties.<sup>51</sup>

## **2. Which parts of Tasmania (for example locations, industries, communities) do you think are most vulnerable to a changing climate?**

The impacts of climate change disproportionately threaten Tasmanians on low incomes, as well as Tasmanians living in some of the state's poorest areas.<sup>52</sup>

## **Tasmanians on low incomes are less able to afford increases in food prices.**<sup>53</sup>

In 2019, 6.2% of Tasmanians had run out of food in the previous year and could not afford to buy more. This included 6.1% in the South, 5.8% in the North, and 6.9% in the North West.<sup>54</sup> Among Tasmanians in the lowest income quintile, this proportion rose to 7.7%, and in the second-lowest quintile, to 8.1%.<sup>55</sup>

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<sup>46</sup>; <https://www.abc.net.au/news/2018-11-08/insurance-premiums-rise-as-extreme-weather-becomes-more-common/10476288> ; <https://www.theguardian.com/environment/2019/mar/21/climate-change-could-make-insurance-too-expensive-for-ordinary-people-report>

<sup>47</sup> <https://treasury.gov.au/consultation/addressing-the-high-cost-of-home-and-strata-title-insurance-in-north-queensland>

<sup>48</sup> <https://www.climatecouncil.org.au/wp-content/uploads/2019/05/costs-of-climate-change-report-v3.pdf>

<sup>49</sup> <http://understandinsurance.com.au/types-of-insurance/flood-insurance>

<sup>50</sup> <https://www.abc.net.au/news/2019-10-23/the-suburbs-facing-rising-insurance-costs-from-climate-risk/11624108>

<sup>51</sup> <https://www.ses.tas.gov.au/about/risk-management/flood-risk-management/>

<sup>52</sup> <https://www.acoss.org.au/climate/>

<sup>53</sup> <https://www.abc.net.au/news/2019-09-05/farmers-shoppers-warned-of-impact-of-murray-darling-basin-dry/11477182>

<sup>54</sup>

[https://health.tas.gov.au/\\_data/assets/pdf\\_file/0005/398174/Report\\_on\\_the\\_Tasmanian\\_Population\\_Health\\_Survey\\_2019.pdf](https://health.tas.gov.au/_data/assets/pdf_file/0005/398174/Report_on_the_Tasmanian_Population_Health_Survey_2019.pdf)

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[https://health.tas.gov.au/\\_data/assets/pdf\\_file/0005/398174/Report\\_on\\_the\\_Tasmanian\\_Population\\_Health\\_Survey\\_2019.pdf](https://health.tas.gov.au/_data/assets/pdf_file/0005/398174/Report_on_the_Tasmanian_Population_Health_Survey_2019.pdf)

For Tasmanians, the prices of fresh fruits and vegetables are particularly subject to volatility around drought, which is likely to hit Australia more frequently and for longer even under low-emissions scenarios. During the 2005-2007 drought, for example, Australian food prices overall increased at twice the rate of the CPI; fresh fruits and vegetables, by contrast, increased 43% and 33% respectively.<sup>56</sup>

However, Tasmanians are also vulnerable to price increases in globally traded commodities such as grains and meats not only during Australian droughts, but also during periods of decreased yield across the northern hemisphere.<sup>57</sup>

**Tasmanians on low incomes are less able to afford additional energy use for air cooling or filtration during summer, or for heating during winter.**

Nearly a third of Tasmanians (29.7%) lack air conditioning or fans for cooling. Worryingly, this figure includes nearly a third (29.3%) of Tasmanians aged 65+, who (along with babies and young children, pregnant women and those with a serious chronic health condition) are highly vulnerable to heat-induced illness. In 2019, this translated to some 30,000 Tasmanians aged 65+.<sup>58</sup>

**Some of Tasmania's poorest areas will experience higher-than-average climate impacts.**

Some of Tasmania's poorest areas, which are too far inland to be cooled by sea breezes, have the highest chances of hotter weather, and of protracted periods of hot weather. For example, on a low emissions scenario, in 2030:

- Hobart will have a mean estimated 5.9 days per year above 30 degrees
- New Norfolk, by contrast, will have 8.7; Bridgewater/Gagebrook will have 9.8.<sup>59</sup>

Meanwhile, the South East region<sup>60</sup>, which encompasses Bridgewater/Gagebrook as well as the lower Derwent Valley, is predicted to experience heatwaves (>3 days exceeding 28 degrees C) every year or two by the end of the century.<sup>61</sup>

Perhaps counterintuitively, in the shorter term, the same inland areas are also likely to experience colder-than-average winter nights due to drier atmospheres.<sup>62</sup>

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<sup>56</sup> [https://www.researchgate.net/publication/228936289\\_Drought\\_climate\\_change\\_and\\_food\\_prices\\_in\\_Australia](https://www.researchgate.net/publication/228936289_Drought_climate_change_and_food_prices_in_Australia)

<sup>57</sup> For example <https://www.smh.com.au/business/markets/drought-sends-australian-wheat-on-a-world-beating-rally-20180802-p4zv1d.html> ; <https://www.examiner.com.au/story/5804720/flour-prices-rise-due-to-drought/>

<sup>58</sup>

[https://health.tas.gov.au/\\_data/assets/pdf\\_file/0005/398174/Report\\_on\\_the\\_Tasmanian\\_Population\\_Health\\_Survey\\_2019.pdf](https://health.tas.gov.au/_data/assets/pdf_file/0005/398174/Report_on_the_Tasmanian_Population_Health_Survey_2019.pdf)

<sup>59</sup> As of 20 April 2021. <https://www.climatechangeinaustralia.gov.au/en/climate-projections/explore-data/threshold-calculator/>

<sup>60</sup> As classified under Interim Biogeographical Regionalisation for Australia (IBRA)

<sup>61</sup> <https://www.environment.gov.au/system/files/resources/eefde0e6-0f83-486d-b0c3-8b1d25abc497/files/ivgconservation6climate.pdf>

<sup>62</sup> <https://climate.anu.edu.au/files/Steve-Crimp-Frost.pdf>

### **Tasmanians on low incomes are less able to afford to move or to modify properties.**

This means that many Tasmanians will be stuck in a high-risk property which they are unable to upgrade or retrofit to insure against the impacts of climate change. Necessary upgrades are expensive, and include things such as fire-proofing, flood-proofing, fixed cooling or air filtration systems, and mosquito-proofing.

### **3. What do you think are the key opportunities to help Tasmania adapt to a changing climate? Please choose your top three.**

To help Tasmanians on low incomes adapt to a changing climate, the Tasmanian Government should:

#### **1. Increase the affordability and accessibility of home and contents insurance for Tasmanians on low incomes by:**

- **Discontinuing stamp duties on home and contents insurance.** Stamp duty adds 10% to the cost of home and contents insurance.<sup>63</sup> The Productivity Commission, in assessing barriers to effective adaptation to climate change, has recommended prioritising the phasing out state and territory taxes and levies on general insurance, which they found would most likely have net benefits for the wider community in both current and future climates.<sup>64</sup>
- **Working with insurers** to increase the range of affordable products, payment options, and other mechanisms designed to increase building, contents, and income protection insurance uptake among people on low incomes.<sup>65</sup>

#### **2. Help Tasmanians on low incomes reduce their energy use by:**

- **Investing in TasCOSS' proposed Household Energy Efficiency Program (HEEP).** Expanded use by Tasmanians on low incomes of reverse cycle heating/cooling systems, for example, not only will reduce both emissions and power bills in relation to heating, but also will add the capacity to cool dwellings.<sup>66</sup>
- **Making access to energy data free.** For example, the aurora+ app gives customers the option to monitor their energy consumption as regularly as they like and make smarter choices about when they consume energy in relation to peak/off-peak tariffs – but it comes with a yearly charge that disadvantages people on low incomes. Free access to energy retailer digital apps will ensure that the benefits of these products – and the lower emissions that smarter energy use brings – will extend to all Tasmanians.<sup>67</sup>

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<sup>63</sup> <https://www.sro.tas.gov.au/insurance-duty/rates-of-duty>

<sup>64</sup> <https://www.pc.gov.au/inquiries/completed/climate-change-adaptation/report/climate-change-adaptation.pdf>

<sup>65</sup> <https://goodshepherdmicrofinance.org.au/services/good-insurance/>

<sup>66</sup> TasCOSS 2021-22 Budget Priorities Statement, Household Energy Efficiency Initiatives. <https://tascoss.org.au/home/for-members/vaults/?documentid=210319025309-2f04fe5836e94b0e474a02c435587f4e&folderid=33e33d5c-de9b-4b96-b460-c17e46781e11>

<sup>67</sup> TasCOSS 2021-22 Budget Priorities Statement, Household Energy Efficiency Initiatives. <https://tascoss.org.au/home/for-members/vaults/?documentid=210319025309-2f04fe5836e94b0e474a02c435587f4e&folderid=33e33d5c-de9b-4b96-b460-c17e46781e11>

**3. Ensure that the forthcoming Tasmanian Food Security Strategy:**

- Adopts a place-based approach to community food security models and not a 'one-size-fits-all' approach, using local evidence and experience to inform future action.
- Is scalable in design so that any potential increase in demand for emergency food relief can be managed in a rapid and effective manner.<sup>68</sup>

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<sup>68</sup> <https://tascoss.org.au/emergency-food-relief-discussion-paper/>