

TRANSCRIPT

LEGISLATIVE ASSEMBLY ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into Tackling Climate Change in Victorian Communities

Melbourne—Wednesday, 4 December 2019

MEMBERS

Mr Darren Cheeseman—Chair

Mr David Morris—Deputy Chair

Mr Will Fowles

Ms Danielle Green

Mr Paul Hamer

Mr Tim McCurdy

Mr Tim Smith

WITNESSES

Ms Emma King, Chief Executive Officer, and

Ms Bridget Tehan, Policy Adviser, Victorian Council of Social Service.

The CHAIR: Welcome to the public hearing today. I will just run through some formalities before you begin. All evidence taken today will be recorded by Hansard and is protected by parliamentary privilege. This means you can speak freely without fear of legal action in relation to the evidence that you give. However, it is important to remember that parliamentary privilege does not apply to comments made outside of the hearing, even if you are restating what you have said during the hearing. You will receive a draft transcript of the evidence in the next week or so for you to check and approve. Corrected transcripts are published on the Committee's website and may be quoted from in our final report. Thank you for making the time to meet with the Committee today. Would each of you please state your full name and title before beginning your presentation.

Ms KING: Thank you. My name is Emma King. I am the CEO of the Victorian Council of Social Service.

Ms TEHAN: And I am Bridget Tehan. I am a Policy Adviser with the Victorian Council of Social Service.

The CHAIR: Fantastic. Welcome. The floor is yours.

Ms KING: Thank you very much, and thank you very much for the opportunity to speak today as well. As you know, climate change threatens our planet and our very way of life. I am going to make an assumption that everyone in this room understands the very real threat that is posed by climate change, and we have had a look at the many hearings that you have undertaken around the state as well. Our focus at VCOSS is very much on the next step, which is around the need for action and on how we as a community respond to climate change in a way that is urgent, comprehensive and coordinated but is also fair and equitable. So how do we ensure that no-one is left behind.

We know that climate change will hit people who are already living in poverty. It will hit them first and worst. This includes but it is not limited to people on fixed or low incomes; public and community housing tenants; people with a disability or people with other health challenges; Aboriginal people; and those living in farming, coastal or rural communities. Climate change is not just an environmental issue; it is the defining social, health and economic issue of our time. It will make people sicker, it will exacerbate mental illness and it will increase pressure on household budgets, which means that when we respond to climate change it is people, and specifically people who are doing it tough, who must be our key concern.

A truly equitable response to climate change puts the people, community and organisations that are hardest hit at the forefront of decision-making, planning and delivery. It prioritises support to those individuals and groups who need the most help. Whilst being the hardest hit, these people have done nothing wrong. It is not people in poverty who are responsible for climate change; they are just the most vulnerable to its impacts. People who are on low incomes or who are disadvantaged have less resources, less social support, mobility and housing options at their disposal. They are less able to prepare for climate change impacts, such as being unable to afford to retrofit their homes, run air conditioning or take out adequate insurance. They are also less able to respond to and recover from the impacts of climate change like extreme weather or natural disasters, such as relocating or undertaking repairs to their homes. If you are struggling to keep up with day-to-day expenses, protecting yourself from climate change can be really an insurmountable challenge.

Our recently released report *A Climate of Fairness* adopts a climate equity approach to outline the practical measures that Victoria should take to respond to climate change fairly. In short, the report argues that we must act, we must act now and we must act fairly. It outlines measures around energy, housing, community resilience, health, transport and the community sector to support those people and groups who need the most assistance to adapt to the changing climate.

I do want to acknowledge the Victorian Government's ongoing work in this space because in many respects Victoria leads the nation in our response to climate change. Importantly for VCOSS and for all Victorians,

equity is a central principle of a *Climate Change Act*. Minister D'Ambrosio is fully committed, and with her department is working to put people at the centre and to meet the Government's obligations under the Act: to develop mitigation, transition and adaptation plans right across Victoria. Sustainability Victoria is also doing great work, with a range of initiatives on waste, energy and recycling as well as a TAKE2 emissions reduction program, of which VCOSS is very proud to be a founding member. Sustainability Victoria also oversees the Victorian Healthy Homes Program, which is providing free home energy upgrades to about 1000 Victorians who live with complex healthcare needs and have low incomes in Victoria's western suburbs and in the Goulburn Valley.

About 30 per cent of Australians are excluded from household solar, including people who rent or who are on low incomes. Victoria, I am proud to say, has declared that this simply is not good enough. That is why the Solar Homes program, Solar Victoria, exists, and it is one of the most ambitious and one of the most transformative renewable energy programs in Australia. As you may well know, Solar Homes is truly leading the way by working to ensure that everyone can access renewable energy. Their renter rebates offer rebates on 50 000 solar PV systems to Victorian renters, allowing renters to access the benefits of renewable energy and save money. This is important because we know that more people are renting than ever before, they are renting for longer than ever before and they are much more likely to be in energy hardship than home owners.

I also want to highlight one other thing that I think the Government is doing well, and yesterday I attended the sod-turning of the first of 1000 new public housing units. Whilst we were there, Minister Wynne mentioned that each one of those units is going to be rated 7 stars on the national energy rating. That means that some of Victoria's most vulnerable people, including those with disability and older people, are going to be living in homes that are going to keep them healthy, put downward pressure on their power bills and help the environment, which is very much a triple win and I think a very good model for our future as well.

I just want to take a few moments to highlight some of the things that the community sector is doing to help vulnerable people cope with the impacts of climate change. Building on the success of the Numurkah Solar Farm, new solar farms such as those, supported by government grants, are being investigated for Yackandandah, Newstead and Natimuk. These will give locals ownership of their energy generation. The Australian Energy Foundation, which was formerly MEFL, is working to highlight community-owned renewable energy; projects where a community group initiates, develops, operates and benefits from a renewable energy resource or energy efficiency initiative.

A recent research project, a solar garden, was trialled in Swan Hill to provide access to solar energy for people who are locked out of rooftop solar, such as people who are on low incomes. The research found that subsidies equal to those that are already in place would be effective for a larger scale rollout of solar gardens to provide equitable support for people on low incomes.

The Australian Red Cross is sending volunteers into communities to help them get ready for climate change. The Brotherhood of St Laurence is focusing on healthy, efficient homes; affordable, clean energy; and reducing climate change impacts.

Just a few more to touch on: one is Hot Spots, a program that addresses the health impacts of heatwaves on vulnerable people in Brimbank and in Dandenong; neighbourhood houses, many of which are offering cool spaces for people to access in heatwaves, along with free pool passes and advice and information on how people can reduce their bills; Ready2Go, a program that matches vulnerable people with registered and trained volunteer community members who can provide information, support, visitation checks and early relocation prior to extreme weather events in high-risk areas. Mallee Family Care is undertaking research with the University of Sydney to study the negative impacts of extreme heat on the health and wellbeing of people in Mildura.

While some community organisations are doing inspiring work to ensure their organisations, their staff, their clients and their communities are supported, many others are struggling. These organisations are at their limits just trying to meet critical demand. Most do not have the time or the financial resources to be able to build their resilience, and we know that community organisations are society's grassroots safety net. They are embedded within the communities they support and they are a critical component of our social infrastructure, particularly for those who are facing disadvantage, but 50 per cent of organisations say if they were hit by a flood, cyclone

or a bushfire, they would be out of action for a fortnight. About 25 per cent say they would need to close down permanently, which would be unthinkable. Earlier this year VCOSS found that more than 40 per cent of community organisations have been affected by extreme weather or disaster in the past 12 months, but only about 10 per cent of those had developed a climate change risk assessment or a plan. So if Victoria is to weather the storm of climate change and not just survive but thrive, then we need a strong community sector.

I will end where I began, and that is with a plea for this Committee to embrace the concept of climate fairness. Our planet is changing, and Victoria must act. It is our job to ensure that we not only act urgently and comprehensively but fairly too and that we act in a way that supports everyone but leaves no one behind. Thank you.

The CHAIR: Fantastic; an amazing presentation. Bridget, do you want to add anything to that before we ask questions?

Ms TEHAN: Thank you. I think just to reiterate some of the great work that the Government is doing, and DELWP in particular, around transition planning and adaptation planning, and in particular the planning that is taking place across rural and regional Victoria. We are involved in some of that work, and it is really great to see that the Government is really embracing the various sectors that need to be involved at that sort of community-level planning.

The CHAIR: Fantastic.

Mr MORRIS: I guess where I would like to start—and I know that you covered a lot of this in your submission and I do not think you will get any argument from any of us on this side about the need for a fair approach to it—is from VCOSS's perspective, what does 'fair' look like?

Ms KING: Maybe if I start and then, Bridget, you kick in. In terms of fair, one of the things that we are most conscious of is, as we said, climate change hits poor people, basically, first and hardest. So in terms of looking at a fair transition, when we are looking at—which is why I mentioned the work that Solar Homes Victoria is doing. It is making sure that no-one is left behind. We know, for example, when it came to the issues that played out in Hazelwood that the people who were unable to relocate away from the area or who were most impacted, again, were those who were disadvantaged. That included people who were victims of family violence; it included people who were poor, because they could not afford to move away; or alternatively they were in some cases asked to leave emergency accommodation, which was the case for some victims of family violence, because that accommodation was needed by others and they literally had nowhere to go. There is a spectrum here, I guess, that I would pick up, to say across the board, whether we look at whatever the impacts are of climate change, people are least able to adapt if they do not have the money to be able to adapt their homes or where they live. Also when there are times of emergency, they are least able to prepare for the emergency, and recovering from the emergency they are least prepared to be able to do so as well. I might start with that and hand over to Bridget.

Ms TEHAN: I think Emma gave a talk recently talking about new policies, this new world that climate change is presenting us and the new solutions that we need to find. Going back to what Emma said, which was to ask some really fundamental questions: how will this policy decision or this program impact a single mother living in public housing; how will this program or policy impact a person with a disability living in a regional area with no access to transport and so forth? So we need to just really think quite deeply about the policy solutions that we are looking at and to ensure that they are not actually doubly disadvantaging people.

The CHAIR: For people living in poverty or social housing or on fixed incomes, the proportion of income coming into their home against electricity costs and energy costs generally is obviously going to be much higher, yet it is through energy that people can cool their homes, heat their homes and live, certainly from a heat perspective, a comfortable way. Are there ways in which we might as a Government support those households in those circumstances to reduce their costs? Is there a way that there could be some energy rebate for people in that marketplace to help lower their energy costs as a proportion of their income?

Ms KING: Yes, absolutely, and that is a great question. Thank you. There are some key things that we have been advocating around on that front as well. I guess there are a number of issues around looking at public

housing and social housing more generally. One of the other key issues that we have been pointing to is looking at the fact that for the first time we have got minimum standards for rental properties in Victoria. We know that a number of people who are not able to access public housing or community housing are pushed into the private property market to rent at often what are pretty—

The CHAIR: Crappy houses, yes?

Ms KING: Yes, exactly. That is a technical term!

The CHAIR: Yes, that is right. I am sure that is the word in the Act.

Ms KING: Yes, that is right. We have been really heartened to see minimum standards coming in for the first time for the private rental market, but we would love to see some really clear recommendations and some clear outcomes when it comes to energy efficiency, because it genuinely will change people's lives. It seems like a nonsense now when we talk about the minimum standards to think that it was not required before to have a toilet that worked or a door that locked, so we have got some key fundamental things in place. But we have not gone far enough when it comes energy efficiency. So if you are looking at basic things like insulation, if we are looking at fixed heating and cooling and those sorts of things, they make a huge difference.

The CHAIR: That would enable people to negatively gear; there are a raft of good financial incomes for the owner.

Ms KING: That is right.

The CHAIR: So maybe we need to have a set of these criteria as to what is a minimum standard for a home, and maybe—I am thinking it through—over a period of time we ought to transition to having compulsory solar panels, rainwater tanks, heat pumps and those kinds of things, so the owner would be able to write that off against their taxation rate.

Ms KING: That is right, and the reality is if an owner can afford to have an investment property they can afford to make it energy efficient. It is pretty straightforward. I think if they are deriving income in that way, there is no excuse for not putting that in place. That would be one of the no-brainer outcomes that I would see that could be a great outcome from this Inquiry. I think as well, touching on the public housing announcement that Minister Wynne made yesterday, I had not realised before then that those public housing properties would be 7-star rated. That is going to make a huge difference to the people who will be living in those properties not only in terms of looking at how it is better for the environment overall but in terms of looking at the way that poor people often do not turn on their air conditioners in summer, they do not turn on their heaters in winter and in some cases we know—

Mr FOWLES: It kills people.

Ms KING: It kills people. Literally when we looked at the research that came out this year around the number of people turning up in hospital emergency departments with hypothermia, it was a consequence of them being poor. So really the work that you are doing is so vitally important because we know that through making some really clear recommendations around how we can improve housing in the first instance we can literally save lives.

Ms TEHAN: And some of the other things with public housing, I think the education department sort of has a line halfway across Victoria that says, 'Any school north of this line will have air conditioning installed as standard', but that does not apply for public housing. So, for example, people living in public housing in Swan Hill or Mildura are not automatically entitled to air conditioning other than meeting some very strict guidelines or criteria.

Mr FOWLES: And are there examples of unair-conditioned public housing in those jurisdictions or—

Ms TEHAN: Oh, absolutely.

Ms KING: Yes, there are. And Mallee Family Care is doing some really great work, as I mentioned in my introduction. They spoke at an event that we held recently in terms of the work they are doing that shows the impact on people living in extreme heat conditions. Again, it seems extraordinary that it would even be the case.

Ms TEHAN: Yes, so stories of people actually dragging mattresses out to the local park in order to be able to sleep at night but then not actually getting to sleep because of being alert for safety reasons, children not sleeping well and then not going to school and so forth—increased alcohol use, increased family violence and so on. So you get all these flow-on effects of simply having a hot house.

Mr MORRIS: Given the average age of the public housing stock, a lot of it has minimal or no insulation et cetera.

Ms TEHAN: That is correct.

Mr MORRIS: If there is a recommendation around private rental stock, there probably needs to be one around public rental stock too.

The CHAIR: The same standard perhaps.

Mr MORRIS: The same standard. Well, I think you would want to be looking at that. I am just thinking there is probably a finite amount that is available to be spent on public housing and this is a big-ticket item, so I am just wondering if you have any thoughts on how we handle that. I mean, the last thing we want to do is make that recommendation and find, okay, we cannot add to the public housing stock in the next five years because we are digesting this retrofit.

Ms KING: There are a couple of things I would add when it comes to that. I will draw a parallel with another significant inquiry that is taking place, which is the royal commission into mental health. It was interesting looking at the interim report, because it does not make recommendations about housing and homelessness even though we know that they are huge issues. When we talk about mental health we talk about the fact it is one of those issues which is actually a little bit like housing, because often you cannot get housing unless you are in crisis. It is a bit like you go to the hospital and say, 'Look, I've got a gash in my wrist, can you please fix it?', and the nurse says, 'Look, we can't. Come back when it's infected and we can help you out then'. So we find that the issues around housing and homelessness are quite similar in terms of it is often not until someone is almost destitute that they are given the help that they need to get a roof over their head in the very first instance.

I think it is a really interesting thing for me about what we value. So if you look at the money that we are pouring into infrastructure at the moment, we talk a lot about the Big Build that is happening in terms of our public transport system. We know that is needed, money can be found for that, but why can't we have a big build that actually looks to eliminate homelessness? Why can't we have a big build when it comes to public housing? Because if we actually value the importance of every single Victorian having a home, having a roof over their head that is safe, that is affordable and that is appropriate, why can't we invest in that? So I think it is really interesting around what we value as a society and what we fund and how we do that, because we know all of these issues are interrelated. People often make issues that come to public housing et cetera look like they are too hard and they are insurmountable. I do not think they are. The issues that we have are often—when I say 'we' it is a collective 'we'—of our own making. So we can address those.

Again, I think it is fantastic that we have got committees such as yours that can actually say that these issues matter. We have actually got to put it first up on the agenda, because we know it does not matter what committee meeting we go to—whether it is a royal commission, whether it is a parliamentary inquiry, whether it is stakeholder discussions, whether it is about mental health, whether it is about drugs and alcohol, whether it is about people exiting our justice system et cetera—everything comes back to housing and whether it is safe, affordable and appropriate and basic cost-of-living issues around people being able to pay their bills and be safe and comfortable and not die at home because they cannot turn the heater on or the air conditioner on.

Ms TEHAN: It is the springboard for a successful life, a decent home.

Mr FOWLES: On that, yes, there are finite resources, and I could not agree more in terms of prioritisation. I spoke a bit about this in my inaugural speech; it is really, really important to see a significant uplift in the amount of public housing we provide. On the retrofitting bit I absolutely accept that it makes enormous sense to provide that economic dividend to the users of those public houses. But if, say, the pod allowed us, using round numbers, to retrofit 1000 public houses without getting anything back from that retrofitting expense, or to get some co-contribution—that is, if the tenant saves \$100 a year, \$50 of that comes back to be redeployed—that would allow us to do 1200 instead of 1000. Do you see that as being an equitable or inequitable means of broadening the scope of any retrofitting exercise?

Ms KING: Generally inequitable, partly for the reason that, as I said, if you can afford to own an investment property—

Mr FOWLES: No, sorry, I am talking about public housing.

Ms KING: Right. I think, keeping in mind that people in public housing are poor—

Mr FOWLES: Correct.

Ms KING: I think there is a part there about saying, actually, what money—we have run this argument across a number of different things. We looked at energy a couple of years ago. When there was some discussion around whether people would have prepaid energy or some form of prepaid meters we vehemently opposed that for the reason that people have got no money in the first place, so they cannot afford to pay up-front for any more than they have already got. The reason they are living in public housing is that they are poor, so there is not really capacity there to pay a co-payment. So I think we have to acknowledge that up-front and actually say, ‘We tend to look at our obligations of the State when it comes to looking at the public housing that we provide and saying that it should be of really good quality’. There are programs at the moment—I know politics is dancing around them, but when it comes to the renewal programs that are happening, what we are interested in is saying, ‘Actually, how many people can we provide a really great house to?’. Whatever uplift we can get, we should be doing our collective maximum best to make sure that that uplift is as big as it possibly can be when it comes to public housing. I know Government is looking at different ways that they can cut that and also looking at the Social Housing Growth Fund, for example. I have not seen any outcomes from the Social Housing Growth Fund yet. I would like to—there is a lot of money sitting there in that account—so it would be good if you could dig a bit deeper perhaps and find what might be able to happen there. But I think there is more to look at.

Mr FOWLES: So to frame it another way, would you rather state resources be directed towards new, additional, housing or retrofitting existing housing? I know you want to say both, but—

Ms KING: I do not think it is an either-or, and I would not call it an either-or. I do think what it comes down to is that a government funds what it values and what it believes in, and I do not think that one should be at the cost of the other. I know we are looking at the size of the pie, if you like, when it comes to what we put into our social funding, but I would turn around and say, ‘I can look at some of the other things that Government invests in and invests in heavily’. Government has got to make choices about what it invests in. When it comes to, ‘Do you invest in housing?’, the answer should be yes. It should not be saying, ‘Do we take an extra 50 bucks off someone who is poor and doesn’t have \$50?’, so they can make some savings over the long run when they actually do not have the money up-front. No. For me, it is not an either-or.

The CHAIR: Just thinking that through a bit too, if governments turn over their properties a bit more regularly it means that former public housing that is disposed of, as long as you have got a net gross gain, then provides for a private property owner to buy it, to invest in it and to put it back into the pool of privately provided reasonable-cost housing. There is a way of getting there. But in terms of the standards—

Mr MORRIS: Gross gain? I am just—

The CHAIR: Yes! In terms of private properties that are provided to the rental market, you have obviously touched on it verbally, and there are some comments weaved through your submission. I would be interested to know what those standards are. I would be prepared to put you on notice to go away and perhaps have a think about what they might be.

Ms KING: Certainly.

The CHAIR: The standards that should be provided by those that own private property that is made available for renting—I would be interested to know them, because there are a whole lot of investment incentives for people to buy and to invest in them. Maybe we ought to be setting minimum standards so that we see a return on those very generous taxation arrangements that are in place.

Ms KING: Exactly right. We have mentioned some, as you say, in the submission, but we are very happy to take that on notice also and look at any additional recommendations we could make. We would very much welcome that opportunity. Thank you.

The CHAIR: Fantastic. Thank you for coming in.

Ms KING: Thank you very much for your time today. It is very much appreciated.

The CHAIR: It was a quality submission.

Ms KING: We saw as well that you have met with some of the people from the programs that we referred to as well, so it is great to see that you have been throughout the whole of Victoria in regional centres et cetera as well. Thank you.

The CHAIR: We have. We have got to get north of the Divide. We have got to the top of the Divide. I think we have got to go further north, don't we? Other than that, we are getting around.

Ms KING: Thank you very much.

The CHAIR: Thank you for coming in. It was great.

Witnesses withdrew.