



24 April 2018

Hon Taylor Martin, MLC
Chair
Standing Committee on State Development
By email: state.development@parliament.nsw.gov.au

Dear Hon Taylor Martin

I write to provide further information following NCOSS's appearance before the Standing Committee on State Development (the Standing Committee) on Tuesday 27th March 2018.

Renewable energy: a more affordable and sustainable energy source for NSW families

The Standing Committee requested further evidence to support a recommendation made in our submission for the creation of renewable energy zones.¹ There was a suggestion that renewable energy is a more expensive source of energy and as such a recommendation promoting State Government investment would be inconsistent with NCOSS's purpose; to alleviate poverty and inequality.

NCOSS works with and for people experiencing poverty and disadvantage and represents the interests of vulnerable households and communities in NSW. We understand the rising cost of essential energy services are having a huge impact on many families in our communities. NCOSS's recent Cost of Living survey² provided a stark illustration of the impact of the cost of energy on a growing number of NSW households, and highlighted that coordinated NSW Government action is urgently needed.

The impact on vulnerable communities and populations need to be considered in moves to renewable energy. However, this should not be a barrier but rather a consideration of ensuring a just transition and relevant and adequate protections for vulnerable families and communities. Overwhelming data presented by electricity industry businesses, the finance industry and a range of research bodies (see table 1 & 2 in Appendix A), demonstrates the cost of constructing and running renewable generation, even with additional 'firming' measures to ensure dispatchability, is already below that of any possible thermal generation (coal and gas). These figures do not take into account the significant environmental and health costs associated with any thermal generation, and do not account for the rapid downward trajectory of the cost of renewable generation technology.

NCOSS reiterates our support for the creation of a strategic plan for renewable energy zones in NSW, in consultation with industry and communities ensuring a just transition. We know that investing strategically in renewable generation capacity, ensuring that costs are fairly and equitably apportioned, would not only be a significant economic boost to a number of struggling regional communities across the State, but would have a significant impact on

¹ NCOSS. Regional Development and a Global Sydney (2018)

² NCOSS. 'Turning off the lights: cost of energy 2017' <https://www.ncoss.org.au/sites/default/files/Cost-of-Living-Report-16-06-2017-FINAL.pdf>

ensuring essential energy services are sustainable and affordable for all members of the NSW community.

Funding allocations according to regions

At NCOSS we travel across the State, hearing directly from services and communities on the key issues and challenges they face. Regional allocation of funding is consistently raised as an area of concern. This is not only in reference to geographical boundaries; but also into the regional allocation of funds to ensure that no part of NSW is left behind. We consistently hear that the tyranny of distance and isolation in rural and remote communities, particularly those in Western NSW and the Far West, means that these communities are doing it the toughest and often not receiving adequate allocation of funds.

In our [2017-18 Pre-Budget Submission, *Investing in Communities*](#), NCOSS members called on the NSW Government to focus on this region and empower the west. By investing just \$13 million per year in communities in Western NSW and the Far West our Government could empower this region to make positive change. Our recommendations shone a light on the concentration of need and disproportionate under-resourcing of Western and Far West NSW. Access to opportunities and services in these areas is often hampered by the levels of investment that do not fully account for the impact of distance, sparse population density and levels of need.

Recommendations:

- Invest an additional \$30 million over four years into supports for vulnerable children and families in the Far West and Western NSW as part of the Targeted Earlier Intervention Reform process.
- Invest \$4 million over four years to extend the Isolated Patient Travel and Accommodation Assistance Scheme (IPTAAS) to include payments to Community Transport providers in the Far West and Western NSW Districts.
- Invest \$2 million to provide five year funding for the Driving Change Program in four sites across Western NSW and the Far West.
- Invest \$2.8 million over four years in Regional Transport responses in the Far West and Western NSW including annual brokerage funding of \$100,000 in each district and a \$500,000 pool of recurrent funding per district for projects that demonstrate success in meeting local unmet need.
- Invest \$1.1 million to facilitate the permanent appointment of two Mental Health Court Liaison Officers in the Far West from 2017-2021.
- Invest \$4 million over four years in Court Diversion and Bail Support Programs for Aboriginal people in the Far West and Western NSW.
- Invest an additional \$10 million over four years to increase access to dialysis in Western NSW and the Far West through additional dialysis chairs and related staff; and access to home dialysis through increased support for training and nurses. Additional funding should be guided by a regional dialysis needs assessment to ensure investment addresses clear shortfalls.

In addition there is also the issue of geographical alignment. Lack of alignment in geographical boundaries creates service coordination issues and remains an issue throughout the state.

How underemployment in NSW is recorded

The Australian Bureau of Statistics (ABS) collects and publishes underemployment rates by state and industry type in its monthly Labour Force Survey. More localized data (e.g. Local Government Area (LGA), Statistical Areas) by industry type are also available on request.

In 2015 and 2017, NCOSS and Social Policy Research Centre undertook research on workforce issues in the community services sector. The study also examined compositional characteristics of the sector's workforce. In relation to underemployment, the study noted the following:

As casual workers may experience high rates of underemployment and be unable to access additional paid hours when they need them, organisations with casual staff were asked if, in the last 12 months, any casual staff had requested additional work hours. Almost half of respondents said that they had received requests and were able to provide some of the extra hours casual staff had requested (48.2% of those employing casuals). Around 1 in 10 (9.8%) said they received requests for extra hours and were able to provide all the hours requested. A further 13.7% received requests but were unable to offer any extra hours, while 28.2% said that none of their casual staff requested more hours. This suggests that many organisations may be unable to meet the work needs of casual workers, raising risks of loss of staff where workers need to leave to obtain sufficient working hours.³

As noted in our response submission to the discussion paper, community services is one of the most casualised sectors in NSW where almost one in three workers are employed on a casual basis (the average across all sectors is one in five). Such high levels of casualisation cause job insecurity, workers wanting to leave for permanent employment, reduced opportunities for training and career development. In NCOSS's view, the high rate of underemployment in the community service sector can be attributed to short-term government funding contracts, with some funding agreements as short as one-year. If funding agreements were extended for at least 7 years, as recommended by the Australian Productivity Commission, the community sector would be able to better retain skilled and qualified staff.⁴

Regional Transport

ABS data on the use of public transportation (collected in relation to how people get to and from employment and study) shows a significant gap between the rate of public transportation usage in Cities (approximately 20%), and usage in rural and regional areas (less than 2%). The ABS data is available on the basis of LGA, and represents an indication of the practical accessibility of transport in rural and regional areas. More detailed quantitative regional data on access to transport is not currently collected on a systemic basis in NSW, in any form, a fact which makes quantifying the problem and developing solutions very difficult.

³ Natasha Cortis and Megan Blaxland, 'Workforce Issues in the NSW Community Services Sector', (Research report Social Policy Research Centre 2017)

⁴ Contribution of the Not-for-Profit Sector, (Report prepared by the Australian Productivity Commission, 2010).

It is assumed that this lack of examination of transport access in rural and regional areas stems from an assumption that high levels of private car ownership reduce the relevance of access to more public forms of transportation.⁵ However, assumptions that equate high levels of private car ownership with satisfactory access to transport fail to recognise the inherent inequality of access to private vehicles, and resulting disadvantage across a range of cohorts within regional communities. Consequently, a significant proportion of people in rural and regional communities do not have adequate and affordable access to the transport they need to access essential services, economic opportunities and vital community connections. Across regional NSW, groups experiencing particular disadvantage because of a lack of access to transport include:

- Children and young people
- Women
- People who are unemployed and those seeking employment
- Those on low incomes
- People with a disability
- Aboriginal people
- People from culturally and linguistically diverse backgrounds
- Pensioners and older people.⁶

We do know that transport disadvantage is prevalent in rural and regional NSW by looking at the impact that lack of access to transport has across regional communities, particularly on the groups outlined above. Some key impacts include:

- A lack of transport options leading to people in rural and regional areas having less access to schooling, education and training that leaves them less able to build the skills and experience they need for secure employment, potentially locking them in to unemployment and longer term disadvantage.⁷
- A lack of reliable, accessible and affordable transport leading to people in rural and regional areas unable to access doctors, hospitals and other medical services they need. With the result in the worst cases being higher levels of mortality (eg, for people with cancer, diabetes and kidney disease) and lower life expectancies.⁸
- A lack of access to transport that curtails or makes impossible, the employment necessary to survive, be independent, contribute to their community and build a better quality of life. This common problem often leaves many people in rural and regional areas reliant upon income support, and exacerbates ongoing generational disadvantage.⁹

⁵ AIFS <https://aifs.gov.au/cfca/publications/relationship-between-transport-and-disadvantage-austr>

⁶ Ibid

⁷ 3 ACOSS/ National Rural Health Alliance – A snapshot of poverty in rural and regional Australia. Oct 2013. pp 6-13 http://ruralhealth.org.au/documents/publicseminars/2013_Sep/Joint-report.pdf

⁸ National Rural Health Alliance. Fact Sheet 8: Cancer in Rural Australia. Jan 2012, p1

<http://ruralhealth.org.au/sites/default/files/publications/fact-sheet-08-cancer-rural-australia.pdf>

⁹ ACOSS/ National Rural Health Alliance – A snapshot of poverty in rural and regional Australia. Oct 2013. pp 6-13 http://ruralhealth.org.au/documents/publicseminars/2013_Sep/Joint-report.pdf

In the context of enabling stronger and more economically vibrant and sustainable regional centres in NSW, quantifying and addressing rural and regional transport disadvantage is a crucial first step.

Yours sincerely

Tracy McLeod Howe
Chief Executive Officer
NSW Council of Social Service



Appendix A

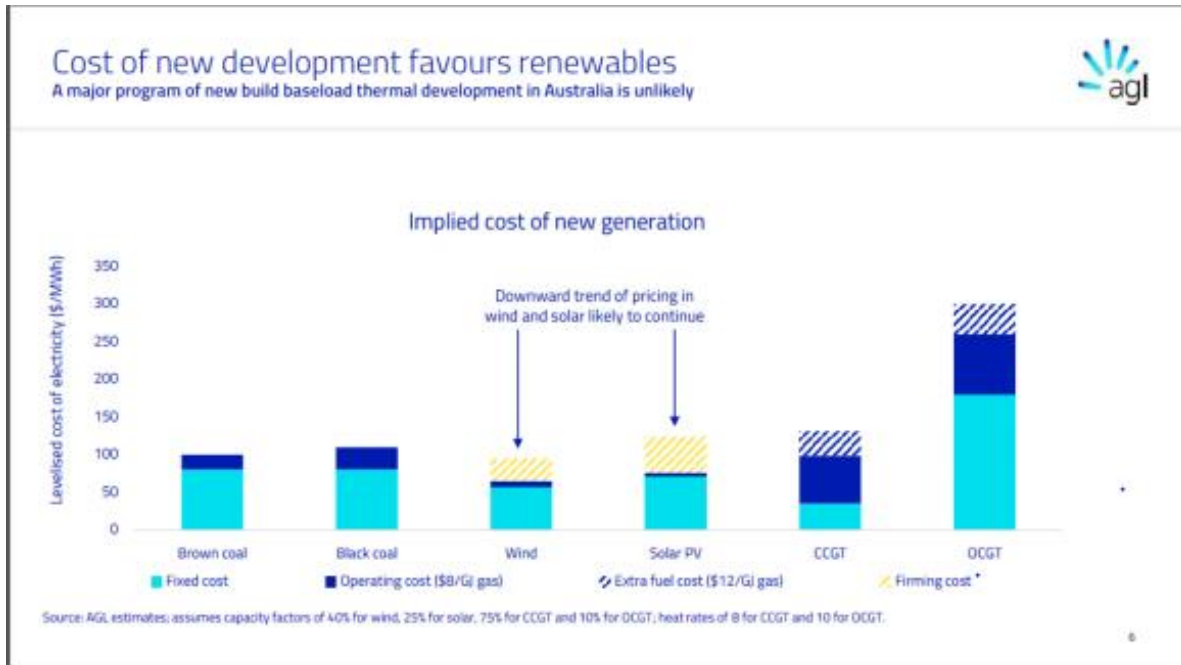


Table 1: sourced from AGL

https://www.google.com.au/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwiS_7iG6rXaAhUDVbwKHY2UC8QQFgg0MAA&url=https%3A%2F%2Fwww.agl.com.au%2F%2Fmedia%2FDLS%2FAbout-AGL%2FDocuments%2FInvestor-Centre%2F170502-Macquarie-conference-presentation---A-future-of-storable-renewable-energy.pdf%3Fla%3Den&usq=AOvVaw2hRUJnJZZUfozXzLnf4Wc

Technology	Life Years	Capital Cost (\$/W)	Operating cost (\$/MWh)	Fuel Price	Capacity factor (%)	LCOE with 8% discount rate (\$/MWh)	LCOE with 9% discount rate (\$/MWh)	Impact of 5% increase in risk premium (\$/MWh)
Supercritical, Black Coal	40	2.3	7.0	\$100/t	50	92.5	98.0	32
Ultra-supercritical, Black coal	40	3.1	7.0	\$100/t	50	107.8	115.0	41
CCGT-Gas	30	1.4	7.0	\$10/GJ	50	115.4	118.6	18
Wind	25	1.8	8.0	N/A	35	67.6	72.3	27
Solar	25	1.9	3.0	N/A	25	88.5	95.6	41

Note: the impact data shown here include a 15 per cent profit component

Table 2 'Review of economic modelling exercises & assessment of the impact of uncertainty', *Climate Change Authority*, May 31, 2017, <http://climatechangeauthority.gov.au/sites/prod.climatechangeauthority.gov.au/files/files/2017%20Elec%20Review/Review%20of%20economic%20modelling%20exercises%20%26%20assessment%20of%20the%20impact%20of%20uncertainty.pdf>