

30 November 2020

Chair, Economic and Social Recovery Council

secretariat.PESRAC@treasury.tas.gov.au

cc The Hon. Peter Gutwein, Premier

Level 9, 15 Murray Street
HOBART, TAS 7000

By email: peter.gutwein@parliament.tas.gov.au

Cc: secretary@dpac.tas.gov.au

Urgent Need to include climate change policies in Recovery Process

Climate Tasmania, an independent expert-led advisory body, urges the PESRAC Commission and the State Government to integrate climate change considerations into the core of the State's recovery package.

We urge the government to:

- 1) undertake basic initiatives to integrate independent climate policy assessment into all planning, including projects in the Recovery Plan; and
- 2) fund a range of climate beneficial activities, such as building new energy efficient social housing, retrofitting poor housing stock, and community and local government climate initiatives. We have offered other ideas in previous submissions and these and other proposals from the community would meet a triple bottom of economic, social and environmental benefits.

We wrote in May and June and neither the first PESRAC report nor the government's current policies show an understanding that recovery and post recovery planning needs to integrate climate change responses.

Undertaking this is essential for planning, social and economic reasons. Evidence of the actual and predicted impacts of climate change is constantly being affirmed by science and economics experts:

See the latest reports from CSIRO and the Bureau of Meteorology <https://www.csiro.au/en/Showcase/state-of-the-climate>

Recent independent analysis by Deloitte, among others, confirms the costs of not addressing climate change: <https://www2.deloitte.com/au/en/pages/economics/articles/new-choice-climate-growth.html>

The Royal Commission into National Natural Disaster Arrangements reported on 30th October that Australia is enduring a staggering financial burden from climate events, projecting that this will only get worse in ensuing decades.

<https://naturaldisaster.royalcommission.gov.au/publications/royal-commission-national-natural-disaster-arrangements-report>

Other analysts have noted strong evidence that investment in a range of projects such as sustainable energy and thermal retrofitting of housing can deliver economic and climate change benefits and social co-benefits. For example, retrofitting and energy saving programmes create jobs and benefit everyone, including poorer people, because lower energy costs and better heating in winter improve health outcomes.

<https://www.smithschool.ox.ac.uk/publications/wpapers/workingpaper20-02.pdf>

In our June letter – reproduced below – we outlined other proposals that should be considered. We recommend these kinds of initiatives and support help for those hit hardest by the pandemic and more vulnerable Tasmanians, as well as investment in health, education, and community-based initiatives.

Tasmania has been hit by recent devastating wildfires and floods. Accepting Deloitte Access Economics' estimates that climate-related natural disasters cost Australia some \$18.2 billion each year, it is prudent to treat climate change as an ongoing pandemic that will impact heavily on Tasmanian society and our economy.

Now is the time to invest in mitigation and adaptation policies that will help to build a resilient community for the long term.



Dr Mel Fitzpatrick

Chair, Climate Tasmania

Appendix

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5 June 2020

Re: COVID-19: Next steps and the longer-term future for the State

Dear Mr Challen,

On 5 May we wrote to you and the Premier about the COVID-19 recovery process for the State. That letter noted the strength and collaborative spirit of the Tasmanian response and called on the Government and the Council to consult expertise beyond the current Council membership, e.g. on climate change, sustainable energy, transport, and agriculture. It also noted there are many potential projects which would make a significant contribution to the recovery, address the threat of climate change and have co-benefits for the Tasmanian community: for example, new employment opportunities and better health and housing outcomes.

Climate Tasmania is an independent expert body of scientists, engineers, lawyers, medical doctors, energy, and agricultural advisers and community representatives. We note one of the key questions the Council will be asking in the first phase is "What priorities has the COVID-19 overtaken?" We believe it is important that the State and the Recovery Council in this first phase of the recovery make good choices that will support the immediate and long term well-being of Tasmanians, including responding to the threat of climate change.

It should also be increasingly clear from events such as the bushfires here and on the mainland over the last 2 summers and the COVID-19 pandemic that we should be focussing on building local long term resilience and diversification, and more community focussed policies. We emphasise that notwithstanding the pandemic, climate change is an absolute, urgent and growing imperative for all governments, at all levels, and that if our recovery plan does not address this its value will at best be short-lived. If we make poor choices now we risk locking in bad policies and missing opportunities for low cost sustainable climate change and social policies.

A recent working paper by eminent economists at the Smith School at Oxford looks at different kinds of stimulus measures and their impact on economic recovery and on climate change. They noted there is strong evidence that investment in a range of projects such as sustainable energy and thermal retrofitting of housing can deliver economic and climate change benefits and social co-benefits. For example, retrofitting and energy saving programmes create jobs and benefit everyone, including poorer people,

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because lower energy costs and better heating in winter improve health outcomes. (Hepburn, C., O’Callaghan, B., Stern, N., Stiglitz, J., and Zenghelis, D. (2020), ‘Will COVID-19 fiscal recovery packages accelerate or retard progress on climate change?’, Smith School Working Paper 20-02.

<https://www.smithschool.ox.ac.uk/publications/wpapers/workingpaper20-02.pdf>

This is only one example, but thermal retrofitting would provide many local jobs, long term and across Tasmania, not just in the larger cities. We note that many Tasmanians who would be ordinarily be planning to improve the energy efficiency of their homes now cannot because of COVID-19 and this gap is not being mitigated under current policies.

There are many other projects in a range of sectors that could be supported with public investment. For example, in the transport sector there are opportunities for targeted individual and bus electrification, dealing with traffic congestion in Hobart, and facilitating “active transport”. There are other potential projects that could be supported across Tasmania and bring direct benefits to those in regional and remote Tasmania, such as localised community renewables projects, sustainable low cost building projects, and support for a sustainable Tasmanian cross laminated timber (CLT) building construction industry. Other projects could be trialled, e.g a pilot waste biogas converter/anaerobic digester facility which includes a clean-up process to bring the biogas up to pipeline standard. The Government’s own *Climate Action Plan 21* contains possible priorities.

We are very aware that the disruption caused by COVID-19 is a particular challenge for the tourism industry and we believe support should be directed to assist local operators to develop more sustainable tourism and hospitality projects. Large scale projects such as the Macquarie Point redevelopment might also be considered, provided the business case was there for public investment and it could be show-cased as a best practice sustainable building leader. The list of potential projects above is not exhaustive and there are many Tasmanian projects that could meet the goals of the recovery, the imperative of climate change action, and be of social benefit.

It is also important to acknowledge the disruption of the COVID-19 will be ongoing and many sectors may not recover in the short-term and we believe every effort should be made to support those who will not find employment, as well as the most vulnerable members of the Tasmanian community, and to ensure our next generations, including regional and more remote Tasmanians, have access to the best educational and digital opportunities.

We welcome the approach of the Recovery Council in developing a good model of consultation as described on the PESRAC website and the Consultation document, but we ask the Council to meet early on with experts and Peak bodies who can advise on some of the projects we have outlined. We are keen to assist in any way in our capacity as a group of experts who know Tasmania. We urge the Council in its analysis and recommendations in this first phase to the end of June to include principles to guide the recovery and on the kind of spending and measures that will promote an integrated approach to economic recovery, ensuring Tasmanians well-being, and short and long-term climate policies. A key principle must be that the climate change implications of policy choices must be taken into account as part of the business case for any measure, that this be transparent, and the State only support projects that do not increase reliance on fossil fuels. There will be calls from some sectors to suspend or defer climate change action considerations and planning laws in the recovery, but our sense is the Tasmanian community will not support this and does not want a return to business as usual or a “reset”. The Tasmanian community has shown incredible resilience, cohesion and creativity in coming together to deal with the pandemic. We look to the Council to work with the community and help us to navigate a challenging future. As the Smith School paper noted:

The emergency rescue packages that are currently being implemented represent life and death decisions made by government officials about people alive today. The imminent recovery packages, soon to be designed and implemented, will reshape the economy for the longer-term, representing life and death decisions about future generations, including through their impact on the climate.

A handwritten signature in black ink, appearing to read 'MF 13/2'.

Dr Mel Fitzpatrick

Climate Tasmania