

Building Back Better: Post-COVID-19 economic recovery measures that support emissions reductions and improve environmental outcomes

SUMMARY

The self-imposed economic slowdown, implemented as an essential measure to contain the spread of COVID-19, creates an opportunity to “build back better.”

The Andrews government can use the lockdown period and the following few months to accelerate economic activity that, over 1-2 years, helps deliver on other government commitments and that provides a range of environmental and climate-related co-benefits.

This will rely on significant government investment, with a focus on job creating activities.

This document outlines many opportunities, covering:

- Reducing energy bills through efficiency, electrification and renewables;
- Modernising the energy grid, with a focus on accelerating the construction of new transmission lines;
- Bushfire recovery, both community-based and ecological;
- Environmental restoration, with a focus on habitat and landscape management;
- Sustainability opportunities in urban environments, including through improvements to public and active transport options.

INTRODUCTION

The economic impacts of COVID-19 and the essential measures to contain its spread are unprecedented in living memory. We acknowledge the critical work of the Andrews government in both responding to this extraordinary public health crisis and supporting those economically impacted by containment strategies.

We also note that, in coming weeks and months, further measures will be required at both state and federal level to keep people employed, support workers and their families faced with sudden loss of income, and ensure our response to this crisis does not further entrench inequalities. These will need to be followed by concerted efforts to kick-start economic activity.

We submit this document for the consideration of the Andrews government as an outline of opportunities to get people and businesses back on their feet with the important co-benefit of helping meet government commitments to reduce greenhouse gas emissions and improve the health of our unique natural environment. Some of the measures can start right now – indeed, this is an opportune moment to tackle certain problems. Other measures can be ready to roll-out as physical distancing restrictions are lifted.

We urge you to work with the environment movement, our colleagues in the union movement, social sector, civil society more broadly and the business community to develop a comprehensive plan to ensure Victoria builds back better.

REDUCING ENERGY BILLS THROUGH EFFICIENCY, ELECTRIFICATION AND RENEWABLES

Energy bills are a key expense of concern for many households, businesses and other organisations. On-site renewable energy, energy efficiency upgrades and switching from gas to efficient electric appliances are options for reducing energy bills, which are likely to be more important under the current circumstances, due to:

- 1) More Victorians being at home during the day as we approach winter and therefore using more energy;
- 2) Businesses facing significant declines in revenue, or not operating but still needing to pay connection costs;
- 3) Many Victorians having lost their jobs due to the shutdown and not being able to pay bills.

Rooftop solar, energy efficiency upgrades and appliance replacement can keep large numbers of tradespeople employed through a period when this work might otherwise dry up.

Immediate steps could include:

- **Installation of solar panels on public housing, Indigenous housing and low income rental properties, along with fully-funded energy efficiency upgrades.** Ensuring our most vulnerable members of society can remain at comfortable temperatures inside their homes can help them to stay healthier and more resilient to respiratory diseases. We note that some efficiency upgrades under the Victorian Energy Upgrades program have now been put on hold due to physical distancing requirements. We urge the government to consider what options exist for boosting the roll-out of other upgrades that are not constrained by these requirements, to ensure Victoria households continue to benefit from lower energy bills.
- **Solar panels and energy efficiency upgrades at public schools, childcare centres, sporting club facilities and other public buildings that are currently closed or experiencing reduced patronage.** If school closures continue beyond school holidays, this will be a perfect opportunity to keep skilled workers employed without affecting day-to-day operations of a school, all while serving to reduce future running costs for schools across the state. Grants for upgrades could also be provided to businesses that are currently closed.
- **Solar and battery storage installations for health services and hospitals.** Our health system is very likely to face significant strain in coming weeks and months. Reducing the operating costs of these facilities helps them spend money on providing their critically important services. Energy efficiency upgrades may not be the best option in the health system right now, as this would require more access to the inside of buildings, compared to solar and battery installations.
- **Support local councils to roll-out energy efficient street-lighting,** especially while road traffic is greatly reduced.
- As physical distancing restrictions ease, **accelerating the replacement of old and inefficient gas heaters and gas hot water systems with efficient electric alternatives** – serving to reduce bills and greenhouse gas emissions while helping avoid any need for additional gas supply projects that present unnecessary environmental risks.

MODERNISING THE ENERGY GRID

The long-standing head of the International Energy Agency, Fatih Birol, has noted, in the context of the economic recovery after the COVID-19 health crisis, that:

“large-scale investment to boost the development, deployment and integration of clean energy technologies ... should be a central part of governments’ plans because it will bring the twin benefits of stimulating economies and accelerating clean energy transitions. The progress this will achieve in transforming countries’ energy infrastructure won’t be temporary – it can make a lasting difference to our future.”

Specific opportunities in Victoria include:

- **Using the recently passed amendments to the *National Electricity (Victoria) Act* to accelerate the construction of urgently needed transmission lines and additional battery storage.** As the Andrews government has alluded to, the process for planning and approving transmission infrastructure is torturously slow and therefore not fit-for-purpose in a rapidly changing energy market. Victoria now has the power to dramatically speed this process up. There is no doubt that new transmission lines are needed. These are large projects that can not only employ a lot of people in the immediate term but also serve to enable additional economic activity: opening access to renewable energy zones for future wind and solar farms to connect to the grid. Further, “investable” conditions are going to be hard to come by across the entire economy and this is an area where the Victorian government can almost single-handedly provide investment certainty right now, even during the shutdown.
- **Invest in setting up renewable energy supply chains and training facilities,** to enable Victoria to reap additional benefits from the energy transition. A [report we released in 2018](#) provides further detail about maximizing supply chain opportunities.

BUSHFIRE RECOVERY

The severity of the impact of the summer bushfires has been forced off the front pages by the all-consuming challenge of COVID-19, but for the communities and landscapes devastated by these fires, a lot of local recovery work is needed. This could include:

- **Rapid investment in clean-up and rebuilding work.** Debris from destroyed homes needs to be removed, and homes, buildings, farm infrastructure and roads all need to be replaced.
- **Replacing energy infrastructure in remote fire-affected areas with renewable-energy-powered micro-grids with local storage capacity.** This adds to the future fire resilience of these communities.
- **Habitat restoration in fire-affected areas, including reforestation and replanting, managing pest plants and animals during the immediate re-growth phase, and surveying the recovery of species.** This work could create an additional benefit of providing opportunities to those who have lost work in the timber industry, either through direct impact of the fires or due to contraction of the industry.

These measures should be rolled out by employing as much local labour as possible – both to create opportunities in severely-impacted regions and to minimise the risk of spreading the virus into those communities.

ENVIRONMENTAL RESTORATION

Conservation and land management activities have a high labour to capital cost ratio – that is, inputs other than labour are comparatively low, meaning more of the money spent is going directly to those doing the work. Many practical conservation activities are also relatively low skill and can therefore be done by a new short-term workforce, as well as being compatible with physical distancing guidelines.

Opportunities across both public and private land include:

- **Fencing off crown river frontages.** Livestock that are not fenced off from river and creek beds can do significant damage to riparian vegetation and water quality. A recent and successful state government program to build fences between farm paddocks and Crown-land river frontages has over-delivered at lower-than-expected cost, but funding is due to expire this year. An injection of funds for a further 2-3 years could continue this work across the state and provide on-going environmental benefits.
- **Repairing coastal ecosystems by replanting and restoring mangrove forests and seagrass meadows.**
- **Mass tree-planting as part of habitat restoration efforts.** There might also be opportunities for those who remain employed but at lower pay rates or significantly reduced hours to spend some of their time contributing to this work, noting that spending time in nature can help reduce stress, with the bonus of being remunerated for meaningful work.
- **Managing pest plant and animals,** serving to reduce pressures on threatened species and to reduce impacts on farming.

OPPORTUNITIES IN URBAN ENVIRONMENTS

Within urban environments (including regional centres), there are many opportunities to reduce greenhouse gas emissions, improve environmental outcomes and create more sustainable and more connected communities.

Possible short-term measures include:

- **Working with local councils to boost local vegetation projects.** These could be targeted in areas that currently have below average canopy cover in both public spaces and home gardens. Increasing tree canopy cover helps reduce the urban heat island effect and if located well in residential areas can help reduce household energy demand by providing summer shading.
- **Rapid upgrades to public transport infrastructure to enable smoother and more reliable operation.** While occupancy rates for public transport are much lower than normal, now is a perfect opportunity to carry out maintenance on tracks, rolling stock and any other equipment that can cause delays if it fails during normal operation.
- **Rapid upgrades to active transport infrastructure.** Reducing both congestion and vehicle emissions in Victoria can be achieved by shifting transport modes for shorter trips away from private vehicles and towards active transport (ie. walking, cycling). Encouraging people to cycle relies partly on providing appropriately safe bike lanes, separated from motor vehicles, especially along key corridors into and out of the city. The RACV has identified a network of cycling routes across Melbourne that could create a cycling “super-highway”. This work could be rolled out while

commuter traffic volumes are low, with benefits coming from less congestion, lower emissions and healthier commuters.

- **Measures to boost urban agriculture.** More localised food production can serve to increase access to fresh food for low-income or vulnerable communities, enhance the resilience of our agricultural system to future shocks, improve mental health and build stronger bonds within a community. Funding could be directed towards wages for local teams to establish community food gardens on a segment of public land, which would then provide longer-term benefits.

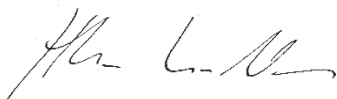
CONCLUSION

The COVID-19 pandemic has led to an unavoidable economic slowdown with dramatic consequences for many in our society. Significant public investment will be required to kick-start new economic activity as we emerge from the crisis, and in some cases is possible even during the shutdown period.

Many of the ideas presented here are not new, but this is the right time to consider them.

Stimulus measures should not be aimed merely at getting us back to where we were, on a high-pollution, environmentally degraded and unsustainable trajectory. COVID-19 – for all its many, many downsides – is an opportunity to build back better: cleaner, healthier, smarter, fairer and more sustainable. We look forward to working with the government to realise this opportunity.

Regards,



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