



Cassy O'Connor MP
Greens Leader

2 June 2020

Mr Don Challen AM
Chair
Premier's Economic and Social Recovery Advisory Council
secretariat.PESRAC@treasury.tas.gov.au

Dear Mr Challen,

We write to you on behalf of the Tasmanian Greens in the spirit of cooperation to provide interim proposals for Council's consideration.

We understand there will be a broader formal consultation process at a later date and that input will be sought from Members of Parliament. We are concerned to ensure, however, that we do all within our capacity as elected representatives to alert the Council to the mistakes of Tasmania's recent past and to help it advise the Premier on a new, more just and sustainable path forward.

This interim submission presents three potential key areas for immediate measures that can stimulate the economy through: a housing led recovery; green skill development; and measures to rewild and restore this island's degraded landscapes; and diversification and investment in renewable energy.

These measures can deliver sustained employment and social benefit, and they can strengthen Tasmania's brand to ensure the State remains competitive in increasingly uncertain global markets.

The state's pandemic recovery efforts need to focus on shifting the Tasmanian economy on to a more socially, economically, and environmentally sustainable path. We don't want to 'go back to normal', because 'normal' wasn't working.

We trust, in determining the value of potential publicly funded stimulus measures, the Council's threshold consideration will be "What delivers the maximum public benefit?" As such, we urge Council members to avoid the temptation to recommend public funds be allocated in any significant part to private entities looking for more bailouts despite substantial State and Federal support being available.

All public expenditure stimulates an economy to a certain degree. As such, rationally and strategically allocated expenditure should focus on areas of co-benefit to society and the natural environment.

The coronavirus recovery presents a once-in-a-lifetime opportunity for a reset.

1. A Housing led Recovery

Tasmania is currently in the concurrent grips of a COVID-19 related employment crisis, and a longer-term housing and homelessness crisis. Secure housing is foundational to health and wellbeing, and to economic participation. The housing supply shortage jeopardises a sustained economic recovery.

Housing Investment

We are fortunate to be experiencing low interest rates and to be in the early stages of a Hobart City Deal as well as the rollout of a now outdated Affordable Housing Action Plan 2. These should be leveraged and Tasmania's public infrastructure investment focussed on housing construction.

Recommendation: *Tasmanian Government to allocate funds and invest in new properties for a rent-to-buy scheme and new homelessness facilities.*

First-Home Buyers

The housing market is geared too far towards investors rather than prospective home owners. Negative gearing and capital gains tax exemptions perpetuate this intergenerational economic crime against young Australians. While the Tasmanian Government has no capacity to tackle these unfair taxes, it can bring to Parliament taxation amendment legislation that will make a difference.

Recommendation: *Institute a stamp duty exemption for first home buyers and establish a vacant residence tax (excluding shacks).*

Mixed and Medium Density Housing

The social and economic importance of mixed-housing development has been a foundational tenant of housing policy for more than two decades. Tasmania's growing urban population necessitates more medium density housing. New, large-scale housing developments need to contain an appropriate mix of housing and, where desirable, be medium density.

Recommendations:

1. *Establish a new Statutory Authority to work with Housing Tasmania in co-ordinating public housing and incentivising sustainable, high density private housing developments in strategic urban areas.*
2. *Regulate to ensure a minimum proportion of affordable housing in any major development project.*

Energy Efficiency

Energy efficient households decrease the cost of living for tenants and contribute to renewable skills development across the State. Many households and businesses are struggling financially as a result of the pandemic. Reducing overhead costs would be a boon to many. A move towards significantly improving the energy efficiency of residential, commercial and industrial buildings across the State would bring down energy costs, make buildings more liveable, and deliver employment.

Recommendations:

- 1. Provide free energy efficiency upgrades to low-income households, small businesses and community organisations.*
- 2. Set a policy of expedient renovation of public housing properties allocated to vulnerable tenants to meet a 6 star energy rating.*

2. Greening the Economy

Political and business leaders, as well as medical professionals, across the globe are calling for the COVID-19 recovery to pivot the world towards a more sustainable economy that delivers stronger environmental stewardship and long-term prosperity. In Tasmania, continued native forest logging and burning, outdated land management practices, and poor chains of waste management are holding the State back.

Rewilding, not Logging

Tasmania's global reputation and brand as clean and green is threatened by continued native forest logging operations. It is an industry that consistently fails to be economically sustainable, and the evidence is clear it is driving endemic, threatened and endangered animals towards extinction.

Forestry workers have a diverse range of skills that could be more positively used to rewild degraded landscapes as well as protect communities and wilderness from increasingly intense and frequent bushfires.

Recommendations:

- 1. End native forest logging.*
- 2. Transition STT's workforce into bushfire prevention activities and rewilding degraded landscapes.*
- 3. Mandate that plantation forest residues are productively used to create wood products or biochar, rather than combusted for energy.*
- 4. Develop incentives to encourage carbon farming and avoid deforestation, particularly on agricultural land.*

5. *Provide government resources, information and support for land-owners to participate in carbon farming.*
6. *Fund landscape restoration programs and skill development.*

Waste Management

The insecurity of Tasmania's waste management processes was recently highlighted by the collapse of SKM. If managed sensibly, we can secure sustainable waste management in Tasmania, creating jobs and environmental benefit.

Recommendations:

1. *Introduce a waste levy to encourage landfill diversion, and direct all monies towards programs to improve recycling and further divert waste from landfill.*
2. *Fast-track the roll-out of a Container Deposit Scheme.*

Sustainable Agriculture

Primary producers play a vital role in Tasmania's economy. They will also be key to recovery. Historic European industrial farming practices have caused significant land degradation, reducing agricultural profits and harming the prospects for future generations.

For the agriculture sector to continue to prosper in a post pandemic world, government support will be required.

Recommendations:

1. *Provide grants for on-farm renewables and allow for energy sharing and trading between individual properties.*
2. *Issue a Treasurer's instruction requiring government procurement, contracts and subsidies to favour local businesses that proactively employ sustainable farming and climate friendly practices.*

Biochar

Biochar is made by heating carbon-rich organic materials like wood and other green waste in a low-oxygen environment (pyrolysis).

Biochar is versatile and can improve soil health through improving carbon storage, nutrient storage, soil structure, water holding capacity, mycorrhizal fungi abundance, and reducing pollutant mobility. It has also been shown to reduce methane levels from cattle when included in feed.

Research has suggested it has significant potential for improving crop yields, assist with land remediation, as well as improving reforestation and other ecosystem restoration efforts.

Uptake of biochar has been slow, however, and the right policy settings need to be in place to make industry establishment viable. Repurposing of plantation by-products, as well as state-wide green waste collection, provide a potential source of inputs for a biochar industry.

Recommendation: *Commission an options paper for kick-starting a biochar industry, including capital grants, establishment of a GBE, or a joint venture with councils.*

Social Enterprise

Social enterprises are businesses with a core mission to provide solutions to these problems. Typically, a significant amount of their profits are reinvested into these objectives.

There is currently a lack of government support for social enterprises. The sector is an untapped resource.

Recommendations:

1. *Fund a peak body for social enterprises.*
2. *Make seed funding grants and low interest loans available for social enterprises.*
3. *Develop a system of government-backed social and environmental impact bonds.*

Vocational Training

Increasing privatisation of vocational training providers has seriously degraded the quality and affordability of vocational training in Australia. We need to refocus efforts on state-delivered training, and ensure suitable funding and a diversity of programs are provided.

Recommendations:

1. *Establish a Centre of Excellence in Aged and Disability Care.*
2. *Develop TasTAFE programs for landscape restoration skills, as well as green building skills development.*
3. *Provide free TAFE for students under the age of thirty as well as for mature age students experiencing hardship.*

3. Renewable Energy Skills

Tasmania is a world leader in renewable energy. This island's electricity generation is steadily moving towards being 100% renewable. Tasmanians are consulted for Hydro projects across the globe.

We have an opportunity to expand our expertise to other renewable generation, to become a State of true renewable expertise. This will create jobs, economic activity, and lower emissions.

Electric Vehicles

With nearly half our state's annual carbon emissions coming from the transport sector, the speedy electrification of all public and private transport in Tasmania is essential. This would also dramatically reduce household costs, and increase state security.

Transitioning Tasmanians to electric vehicles would also provide a constant electricity demand to the state's energy system, which would provide certainty should any existing large energy users vacate the market.

Recommendations:

1. *Mandate all new car sales after 2030 be electric cars – except for prescribed circumstances.*
2. *Fit government buildings with charging infrastructure and provide grants to businesses, households and councils to install public charging infrastructure.*
3. *Issue a Treasurer's Instruction that requires all new government fleet purchases to be electric and hybrid electric cars, except for prescribed circumstances.*
4. *Provide payroll tax rebates for car sales businesses based on the proportion of sales of new vehicles that are electric vehicles prior to 2030, up to a maximum of 100%.*
5. *Reduced registration cost for electric heavy vehicles.*
6. *Provide one-off grants for companies to trial electric truck technology previously untested in Tasmania.*
7. *Initiate a study into the barriers for electric vehicle uptake from consumers and suppliers in order to inform future policies.*

Renewable Mapping

The impetus, in large part, for renewable energy generation is the climate and biodiversity crisis.

As such, building renewables in locations that cause significant biodiversity loss does not make sense. We need to ensure that future projects occur in appropriate locations.

Recommendation: *Begin a mapping project of environmentally, socially and generation capacity-appropriate sites for industrial solar, wind, tidal and wave energy generation. The mapping of these sites will allow for less controversial developments and will also improve timeframes for approvals.*

Rooftop Solar

Improving the uptake of rooftop solar systems increases renewable jobs, reduces household costs, contributes to reducing emissions, and ensures the energy generation and storage for a transition to electric vehicles is available.

Recommendations:

1. *Mandate minimum 6kW rooftop solar systems for new public housing properties.*
2. *Progressively retrofit existing public housing properties with 6kW systems.*
3. *Provide subsidies to low income households and rental properties for PV system installations.*
4. *Incentivise jobs in the solar installation sector by mandating a fair price for the solar feed-in-tariff.*

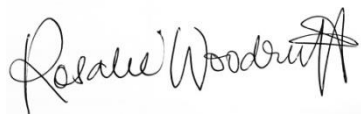
The above interim measures are offered for consideration in good faith. We look forward to contributing to the Council's formal consultation process.

Thank you for the opportunity to contribute to the work of PESRAC at this early stage. We wish you all the best in undertaking your important work towards Tasmania's recovery.

Yours sincerely,



Cassy O'Connor MP
Tasmanian Greens Leader
Member for Clark



Dr Rosalie Woodruff MP
Member for Franklin