

# REBUILDING THE ECONOMY AND REINVIGORATING THE SMART RENEWABLE ENERGY SECTOR

**The coronavirus pandemic has upended lives and thrashed the economy. Businesses and employment levels are on a knife edge. What will it take to turn things around? The Smart Energy Council is spearheading a campaign for a renewables-led economic recovery and has found widespread agreement among the business sector.**

**THE YEAR 2020** has been like none other. The coronavirus has shaken the nation and pummeled the economy; across Australia businesses are on life-support and the still dazed, newly unemployed continue to line up outside Centrelink offices.

It's a crisis that demanded swift and decisive action by government and no time was lost. The Prime Minister and his cabinet hastily convened doctors, scientists, epidemiologists and other experts in a bid to devise strategies that averted the worst consequences of the pandemic for Australians.

Overnight the community had to come to terms with widespread reforms that were developed with breakneck speed and that brought out some of the best in Australian leadership. The National Cabinet comprising state Premiers and the federal government reacted on a scale and speed never seen before.

The response could not be more of a contrast to the dawdling approach – some would say denial – to the even greater threat posed by the catastrophic consequences wrought by the escalation of atmospheric emissions.

Former Prime Minister Malcolm Turnbull puts the incongruity of the disaster response down to timing, saying in the case of the virus the immediacy of it is "Quite confronting, it presents a very harsh immediate

reality" whereas climate change is more insidious and regarded as an issue that can be addressed by future generations.

Broadcaster Waleed Aly summed it up: "Climate change happens on time horizons the human brain doesn't grasp very well, and demands what we perceive to be large, long-term structural changes... the more warning we have, the harder we seem to find it to act." It's a risky proposition given the longer we linger the more drastic the consequences.

## Rising to the challenge during times of crisis

Australia has much to be proud of in its management of the COVID-19 crisis and has so far ward off the worst-case scenario of thousands of deaths, John Grimes said. "The rapid response approach highlights the ability of our leaders, when they so choose, to listen and react to science in a way that mitigates risk and achieves the best outcomes.

"We now need to build on that bipartisan capacity to focus on today's three most pressing challenges: economic fallout from COVID-19, the slump in employment, and the rise in emissions."

The solution to all three, he says, can be found in a renewables-led recovery.

"It's time to lay the groundwork that averts the fossil fuel emissions-induced damage hurtling our way and capitalise on our endless and sustainable renewable resources.

"Our federal and state governments must seize the day and resolve to invest in a sweeping range of micro, small- and large-scale renewable energy projects including electricity transmission systems to accelerate the energy transition," he said.

"In the process this creates hundreds of thousands of long-term jobs and provides much needed hope for the thousands of hard-working Australians now finding themselves out of a job and in need of financial security."

The Smart Energy Council's broad vision is for every building to be a smart building, whether it is a school, hospital, public housing, council or essential services building, with rooftop PV and energy storage and EV charging stations, rollout of commercial and large-scale solar and energy storage, smart energy management, renewable hydrogen and large-scale renewables.

"A renewables-led recovery is a strong vision and it is time for government to make the investment

*COVID-19 has shown there are no boundaries, not unlike the perils of climate change that are shared by all nations across the globe. Image Leanne Tattersall*

and stimulate the market," John Grimes said, emphasising that rooftop PV provides twice the return: it creates employment and lowers electricity prices so households have more money to spend which in itself acts as an economic stimulus to the market.

"We can and must revitalise Australia's economy at the same time as we decarbonise. The smart energy industry is ready right now to deliver screwdriver and shovel ready projects that create new jobs and investment across the nation.

"History has shown that great leaders share a gift in turning a dire situation into a judicious opportunity. The time has never been more appropriate, we can simultaneously tackle the major challenges in front of us."

Smart Energy Council standpoints are supported by the findings of leading climate economist Nicholas Stern and Nobel prize winner Joseph Stiglitz who assert investment in action to mitigate climate change optimises economic growth from a stimulus perspective. Spending on new green energy projects generates twice as many jobs for every dollar spent, they say, compared with equivalent allocations to fossil fuel projects.

The Smart Energy Council has launched a new Renewables-led Recovery webpage which includes the list *10 Ways to Revitalise and Decarbonise Our Economy*, and information on other proposed government renewables stimulus packages.

## 10 Ways to Revitalise and Decarbonise the Economy at the Same Time

1. Turbocharge battery storage and battery manufacturing, by promoting state subsidised battery programs, that deliver savings to householders and act as a virtual power plant, delivering grid stability, savings to all electricity users and requirements for local battery manufacturing, assembly or other support.
  2. Public buildings become smart energy buildings
  3. Solar for public and community housing
  4. Fast-track big renewable and energy infrastructure projects (requests for tenders for up to 10 projects that can begin construction in next 6 months)
  5. 100% renewables for new major infrastructure projects
  6. Instant asset write-offs to electrify manufacturing and heavy industries
  7. North Queensland Clean Energy Development Bank
  8. Add value to lithium and cobalt mining
  9. Fast-track National Hydrogen Strategy with renewables to make Australia a renewable energy exporting Superpower
  10. Increase funding for CEFC and ARENA
- <https://www.smartenergy.org.au/a-renewables-led-economic-recovery>

## Coalescing of opinions

Labor leader Anthony Albanese has urged the Morrison government to pursue a reform agenda that includes a boost for manufacturing and a new focus on infrastructure and climate change to aid the economic recovery from the coronavirus pandemic.

ACT Minister Shane Rattenbury foresees great opportunities in the post-COVID recovery phase, saying where there is willpower things can change fast. "We need a better new normal especially in the energy sector, we need to do things differently, to try new things and move flexibly and build greater sustainability.



*During the pandemic recovery industry and lobby groups are calling on the government to listen to climate science and recognise the need to support climate solutions rather than back projects and industries that lock in or increase emissions*

“In the wake of the COVID crisis people are now questioning what has been in the past. The community is more receptive to change and has been thinking about systems and lifestyles.”

Prominent business leaders and groups are on the same page as the Smart Energy Council and are calling for a smarter, renewables-led recovery.

“As Australia reboots its economy on the other side of this crisis there is remarkable potential for that economic recovery to occur through climate action,” the **Climate Council** says. “A gas-led economic recovery is poorly suited to the task at hand. A reorientation toward net zero emissions is a fundamental requirement of Australia’s COVID-19 recovery to deal with the two crises of economic recovery and climate change.”

**Beyond Zero Emissions** likewise declares climate action is vital for the economy and is launching its *Million Jobs Plan* that charts the as yet untapped employment opportunities in each business sector (read more on page 30), urging stimulus funds be invested in the “economy of the future”.

“The stimulus spending that will be required to rescue the economy presents both opportunities and threats. Our *Million Jobs Plan* shows we can get Aussies back to work while modernising our infrastructure and decarbonising the economy,” Eytan Lenko said.

The **WWF** has embarked on a three-month campaign centred on a renewable energy led recovery and stimulus in a bid to secure policy commitments that address the dual problems of emissions and the COVID crisis. (See the *WWF plan for 700 per cent renewables on page 16.*)

**Anna Skarbek of Climate Works** writes the Australian Energy Market Operator study makes clear that, within five years, Australia can run a power grid in which 75 per cent of electricity comes from wind and solar, and that measures these pathways involve are ideally suited to a stimulus package.

“By building charging infrastructure to support electric vehicles powered by renewables; encouraging investment in sustainable agriculture, fertiliser management and carbon forestry; deploying PV and battery systems across city buildings; or embracing any number of other ‘shovel ready’ solutions, Governments could create jobs and spur industry, while modernising the economy for the challenges ahead,” she said.

**The Investor Group on Climate Change (IGCC)** in its submission to the Bushfires Royal Commission called for an extension of the CEFC mandate to drive private investment in climate change resilience, saying failure by Australian governments to plan today for future damage from climate change will increase economic risks, costs and impacts across the community.

Chief Executive Officer Emma Herd said “As a trade-exposed, carbon-intensive economy, highly vulnerable to the physical effects of climate change, Australia must take steps to strengthen our climate change response in the face of warming temperatures and the associated impacts on our communities.”

## The chorus of voices singing from the same song sheet extends across the globe

According to Steve Blume, board member of the **Global Solar Council**, industry associations in Asia, Europe and Italy have proposed several measures to get solar PV companies back to business post-COVID-19 and stimulate investment in clean power, with the world’s solar industry playing a critical role in post-COVID-19 recovery, creating growth and jobs, and contributing to a green economic recovery that protects the climate and ensures inclusive growth.

## Recommended reading

**Primed for Action: A Resilient Recovery for Australia** outlines the Climate Council’s response to the COVID-19 crisis. As Australia reboots its economy on the other side of this crisis there is remarkable potential for that economic recovery to occur through climate action. A gas-led economic recovery is poorly suited to the task at hand. A reorientation toward net zero emissions is a fundamental requirement of Australia’s COVID-19 recovery to deal with the two crises of economic recovery and climate change.



**BZE Million Jobs Plan** – <https://bze.org.au/the-million-jobs-plan/>



**COVID-19 climate lessons: Unprepared for a pandemic, can the world learn how to manage the bigger threat of climate disruption?** by David Spratt and Alia Armistead of Breakthrough - National Centre for Climate Restoration, [breakthroughonline.org.au](http://breakthroughonline.org.au)

The GSC states that by placing the energy transition at the centre of the recovery, we can grow the world economy, create millions of jobs, and improve the lives of people everywhere. To facilitate this the GSC is calling for support in providing access to financing for the solar industry, boosting the deployment of large-scale projects and small-scale PV.

**IRENA** is reeling a similar line saying COVID-19 recovery packages that place renewables and solar energy at the heart of policies can set a path towards sustainable growth and prosperity, and that renewable energy must play a key role in economic recovery, ensuring sustainability and energy security, creating jobs and strengthening resilience to protect people’s health and welfare.

“No other industry can match such impact while simultaneously reducing global climate emissions” says IRENA in its *Coalition for Action 8-point Plan* calling on governments to develop stimulus packages required for rapid and sustained economic recovery.

A coalition of chief executives, politicians and academics in Europe agree on the need for action to address the fallout from the pandemic, saying it presents a timely opportunity to develop sustainable, resilient and dynamic economies. They are urging major investment in projects that will make the European Union a climate-neutral continent by 2050.

Global corporations endorsing the ‘green recovery’ include PepsiCo, Microsoft, Volvo Group, L’Oréal, Danone and IKEA.

Support for energy reform is found in less likely quarters. Rio Tinto, BP, Shell, Allianz, HSBC and the Energy Transitions Commission (working towards low-carbon energy systems) are calling for massive investments in renewable power systems, a boost for green buildings and green infrastructure, targeted support for innovative low-carbon activities and similar measures.

The groundswell of support for a more sustainable, renewables-led future from business and industry around the globe speaks volumes.

On the following pages we take a closer look at the key messages delivered by Australian business leaders and groups during the Smart Energy Council’s Renewables-led Stimulus Summit.