



Brotherhood
of St Laurence

Working for an Australia free of poverty

MEDIA RELEASE

Thursday, 18 December, 2008

Go green to stimulate the economy

A National Energy Efficiency Program for low income households proposed by the Brotherhood of St Laurence, KPMG and Ecos Corporation should be urgently considered by the Federal Government as part of its economic-stimulus response to the global financial crisis as new figures show the program would result in a \$1.6 billion injection for the retail sector alone, the three organisations said today.

In the lead up to the Federal Government release of its greenhouse emission reduction targets on December 15, the organisations said that that the National Energy Efficiency Program proposal should be considered as a high priority as the Government weighed up a host of measures to stimulate the economy.

The program would use revenue from the Federal Government's forthcoming Carbon Pollution Reduction Scheme to help prepare low-income households for the rising energy costs likely to materialise under the CPRS. This would be done through "climate proofing" retrofits for 3.5 million homes across Australia.

"A large-scale energy efficiency program is one of the fastest ways to create jobs in these tough economic times. Energy efficiency will leave a lasting benefit in lower electricity bills and lower carbon emissions," said former Victorian Deputy Premier John Thwaites, who on behalf of the Brotherhood of St Laurence is chair of the steering committee for the research.

Further economic analysis by KPMG of data used in the research report on the proposal released in September reveals that the economic stimulus for the retail trade sector alone may result in a 2.8% increase in output, or \$1.65 billion, with most of the increase being in the retail distribution of energy efficiency appliances.

Tony Nicholson, Executive Director of the Brotherhood of St Laurence, said: "Importantly this economic stimulus would occur as the program achieves its primary goal – to protect low-income households from the impact of price rises as a result of the Carbon Pollution Reduction Scheme, which the report estimates to be \$16.7 billion from 2010-11 until 2021-22."

Jennifer Westacott, Head of KPMG's Sustainability, Climate Change and Water Practice, said: "The program could be rolled out very quickly and the economic benefits will show up immediately. The benefits could be spread across the country and will be a significant stimulus for local trade businesses and installation businesses at a time when the building industry is under pressure."

Paul Gilding, Director of Ecos Corporation, which advises businesses on strategy on sustainability and climate change, said: "The program represents a powerful return on investment for the community. Expenditure of \$8.7 billion over seven years will return approximately \$14 billion in benefits. That means every \$1 spent by government delivers savings to the consumer of \$1.60. That will then be spent further boosting economic activity."

Economic benefits of the National Energy Efficiency Program include the potential for creating 40,000 new jobs, both through direct employment of "home visit" and installation teams and directly through employment in industries producing energy efficiency appliances.

Media inquiries: **Jeannie Zakharov, Brotherhood of St Laurence, on 03 9483 1371
and 0413 948 535**
Rebecca Cook, KPMG, on 03 9288 5178