

Media Release

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Bridge the gap or lose jobs

The Australian Government must bridge the gap they've created by delaying their Tax Break for Green Buildings or it will cost jobs in the energy efficiency sector.

"Of course, the Government needs to get the design right on its \$1 billion Tax Break for Green Buildings. However, if the Government doesn't immediately announce some measures to fill the gap that they've created it could stall the industry and cost jobs," said Rob Murray-Leach, CEO of the Energy Efficiency Council.

The Prime Minister, Julia Gillard, announced Tax Breaks for Green Buildings in June 2010 in the run up to the Federal election. Under the scheme, building owners that substantially improved the energy efficiency of commercial buildings would be eligible for a tax break.

The Assistant Treasurer, Bill Shorten, has just announced that the Government will delay the Tax Break scheme until 1 July 2012 in order to finalise the design. This delay could mean that building owners delay their energy efficiency projects by a year to make sure that they get the Tax Break, which could stall the industry and cost jobs.

"The Energy Efficiency Council calls on the government to announce a package of energy efficiency measures to bridge the gap caused by the delay to the Tax Break scheme. This will help businesses and households save money, and if they don't the delay will cost jobs", said Rob Murray-Leach.

The Council recommends a mix of measures, including:

- Bringing forward of some of the funding that is already allocated to the Tax Break scheme to top-up the Green Building Fund
- Saving taxpayers' money by improving the efficiency of the Governments' own buildings
- A National Energy Savings Initiative to replace several existing state-based schemes like the NSW Energy Saving Scheme and Victorian Energy Efficiency Target.
- Energy market reform, particularly tackling barriers that prevent cogeneration systems being connected to the electricity network.

Improving the efficiency of Australia's offices, hospitals, schools and shopping centres would deliver a major boost to Australia's economy, saving businesses \$1.6 billion a year¹. At the same time, retrofitting could create 27,000 jobs over the next decade², including jobs for builders and engineers.

Energy efficiency will also help to keep energy affordable. Energy prices are rising due to network companies spending over \$39 billion on poles and wires - expenditure that is passed straight on to consumers. Investing in energy efficiency would save money on poles and wires, saving households and businesses money. The Townsville Solar City project recently reduced peak demand on Magnetic Island by over 20 per cent, postponing \$17 million of expenditure on an undersea cable.

"The Prime Minister's Task Force recommended a National Energy Saving Initiative that would cut investment in infrastructure by \$12 billion, reduce energy prices and save households up to \$296 a year. This isn't radical – California and the UK have been doing it for years," said Rob Murray-Leach.

At the same time, energy efficiency is a no-loss way of cutting emissions. The International Energy Agency estimates that energy efficiency could deliver 65 per cent of global cuts in emissions that the world needs to cut greenhouse gas levels to 450 ppm, which is generally accepted as the minimum global goal for emission reductions.

"The Energy Efficiency Council welcomed the Tax Breaks when they were announced, and delaying it could create serious problems for energy efficiency companies. The Government needs to get the details right, but it's essential that this delay doesn't end up costing jobs" said Rob Murray-Leach.

The Energy Efficiency Council is the peak body for energy efficiency in industry and commercial buildings. For more information visit www.eec.org.au or contact Rob Murray-Leach on 0414 065 556 or ceo@eec.org.au

¹ ClimateWorks 2010, *A Low Carbon Growth Plan for Australia*, ClimateWorks Australia, Melbourne.

² Davis Langdon 2009, *Retrogreening Offices in Australia*, Davis Langdon Research Report, Davis Langdon