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BUILDING A STRONGER AND CLEANER POST-PANDEMIC AUSTRALIA

Our diverse organisations together call for support for COVID economic recovery to urgently stimulate jobs and to rebuild a sustainable and strong economy.

Australia faces a public health emergency with immediate economic impacts as well as longer-lasting global economic pain. Beyond the pandemic, Australian prosperity also depends on dealing with other long-term challenges – including the transition to net zero emissions. Economic recovery efforts can and should contribute to addressing these long term challenges. Our organisations encourage governments to bolster their jobs and recovery strategies with measures to reduce emissions and accelerate successful energy transitions across all Australia’s regions and economic sectors.

There are many opportunities. One particularly promising area for investment is better energy efficiency and energy management. Useful upgrades could be made across Australia’s private and public housing; commercial, community and government buildings; and industrial facilities. Improvements could include more efficient and controllable appliances and major equipment, especially for heating and cooling; improved thermal envelopes and shading; smart meters and sub-metering; distributed energy generation and storage; fuel switching; and the equipment, training and external advice needed for better energy management.

If done well, these investments would durably lower energy bills; ease strains on a rapidly changing energy system; improve health and safety during increasingly hot summers; boost the competitiveness of local manufacturers, whose value to Australia is clearer than ever; enable deeper emissions cuts – and sustain activity across a broad range of trades and industries.

The International Energy Agency has highlighted that energy efficiency upgrades are job-intensive and strongly support economic stimulus goals. In Australia, a major drive to improve the energy efficiency of buildings and industry could deliver over 120,000 job-years of employment. Support for upgrades and new construction of public, low income and vulnerable housing would also help those most affected by pandemic restrictions and lift their purchasing power. Support for upgrades and new construction of private housing would also capitalise on people’s renewed interest in improving their homes, driving

additional private investment. Support for commercial and industrial efficiency would cut operating costs and make investment and employment easier to sustain.

Positive examples to build on include:

- **Housing:** the Clean Energy Finance Corporation has supported construction of hundreds of 7-star efficiency affordable housing units by St George Community Housing in Sydney, and with additional investment from New South Wales Government supported upgrades and installation of solar PVs of 700 existing units, providing energy bill savings of up to \$500 per household.
- **Commercial buildings:** in 2017 the Victorian Government supported an energy upgrade to the MCG that cut its energy use by 24 per cent, enough to power 1872 houses a year.
- **Industry:** in 2019 ARENA identified already-economic opportunities to save the equivalent of 12% of industrial gas use for heat.
- **Government buildings:** the Victorian Government is investing \$7 million to improve health facilities in the Mornington Peninsula region, which will improve front-line services and cut their energy bills by \$1.2 million a year.

Governments should also look for other options that can support economic recovery and energy transition. The Federal and State Governments should integrate recovery plans with their respective clean technology roadmaps and long term emissions strategies, grid modernisation planning, carbon farming development and bushfire recovery to build greater resilience and reduce climate risk.

Investments will work best with careful design and discussion with regulators, business and the community. Equity and accessibility are essential to ensure that the most vulnerable benefit fully.

We are confident that smart, swift and sustained responses can speed the recovery and put Australia's future growth on stronger foundations.

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