

Date: 29/03/23

Dear Ministers,

Australians are calling on you to introduce zero-interest loans to support home electrification and energy efficiency upgrades. We want to take control of our energy bills and cut harmful pollution by getting off gas, but we need your help to do this.

Individually, our homes are not big carbon emitters, but collectively, they make a big contribution to climate change – totalling about 12 percent of Australia’s national emissions. **Right now, millions of homes around the country burn expensive, toxic, and polluting gas for heating and cooking, when electric appliances are far more efficient, better for our health, and cheaper to run.** Going fully electric, and improving the energy efficiency of our homes, will significantly cut the amount of energy we need to use, while saving us money on energy bills and immediately starting to reduce emissions.

But the biggest barrier for households going electric is the upfront costs of replacing appliances. By providing access to zero-interest loans, you can support Australians to undertake a wide range of energy upgrades, including:

- Replacing inefficient gas appliances with cleaner, electric alternatives like induction cooktops and electric heat pumps for hot water.
- Installing solar panels, and purchasing home batteries, electric vehicles and charging infrastructure
- Upgrading home energy efficiency with improved home insulation, draught sealing and window glazing

Households that go all electric and improve energy efficiency will see real benefits, including:

1. **Lower energy bills.** In an average home, a basic energy efficiency upgrade would cut energy use by 18-31 percent, reducing bills. In less efficient homes or with more extensive efficiency upgrades (eg. new appliances, insulation, solar and batteries), the reduction in energy bills could be as high as 100 percent.¹ Climate Council’s [Switch and Save](#) report found that switching over cooktops, heaters and hot water systems to electric appliances could **save Aussie households over \$1800 a year**²
2. **Better energy efficiency means better health outcomes.** More efficient heating and cooling and better insulation will lead to fewer deaths, while removing gas appliances from the home will reduce exposure to pollutants including nitrous oxide in the home, which has been linked to higher rates of asthma in children.³
3. **Creating jobs** Investment in energy efficiency is consistently one of the highest creators of jobs per dollar invested. Around 9 -12 jobs are created for every \$1 million in public

¹ Race for 2030 (2021) Pathways to scale: Retrofitting one million+ homes. Accessed at: https://climate-kic.org.au/wp-content/uploads/2021/12/One-Million-Homes_Final-Report-9.12.21.pdf

² Climate Council (2022) Switch and save: how gas is costing households. Accessed at <https://www.climatecouncil.org.au/resources/switch-and-save-how-gas-is-costing-households/>

³ Climate Council (2021) Kicking the Gas Habit: How gas is harming our health. Accessed at: <https://www.climatecouncil.org.au/resources/gas-habit-how-gasharming-health/>

spending on home energy efficiency upgrades⁴, and this is reinforced by the findings of the Climate Council's [Clean Jobs Plan](#), which found that retrofitting residential buildings would create 7,000 jobs, many of them in regional areas.

Around Australia, governments are starting to get the message about the benefits of helping households to electrify and improve energy efficiency. For example, since being introduced in 2021, the [ACT's Sustainable Household Scheme](#) has helped more than 9,000 households cut their bills and improve the liveability of their homes with interest-free loans of up to \$15,000. This is the kind of household support program we need to see rolled out nationally.

Australians are bearing the brunt of the cost of living crisis and the climate crisis all at once. We are asking for your help to save on our energy bills, make our homes cleaner and safer, and cut harmful carbon pollution. With support from your government in the form of zero interest loans, we can all reap the benefits of getting off gas while doing our bit to tackle harmful climate change.

We look forward to your positive response,

Sincerely

Amanda McKenzie
CEO
Climate Council

⁴ . ClimateWorks (2020) Recover and reduce – Prudent investments to boost the economy and lower emissions. Accessed at: <https://www.climateworksaustralia.org/resource/prudent-investments-to-boost-the-economyand-lower-emissions/>