

# **Water and Sewerage Regulation (Water Heaters) Amendment Bill 2012**

## **Explanatory Statement**

### **Overview**

The Water and Sewerage Regulation (Water Heaters) Amendment Bill 2012 (the Bill) proposes to amend the *Water and Sewerage Regulation 2001* to provide that only efficient, environmentally friendly hot-water systems, may be installed in new and existing homes and townhouses. The purpose of the bill is to enact the full phase out of inefficient hot water systems in Class 1 buildings, now including replacement of systems in existing houses as well as installation in new houses, and align ACT regulations with those being adopted across Australian jurisdictions.

The existing regulation requires that hot water systems fitted to new houses must meet particular standards which allows the installation of low emission hot water systems, such as solar, heat pump, or high efficiency five star gas but does not permit electric storage heaters, unless a specific exemption or concession applies.

Electric hot water heaters remain the most inefficient type of hot water system in the ACT. Electric hot water heaters cause around four times as many greenhouse gas emissions as the more efficient systems. Hot water accounts for around 25% of the energy used in an average home.

The energy saving standard which currently applies only to *new* class 1 buildings under the *Building Act 2004* will now be applied to existing buildings. This covers houses and town houses, as well as guest houses such as bed and breakfasts. It does not apply to multi-unit residential apartments.

These amendments will apply to hot-water systems being installed in all houses and townhouses from one year after the legislation is notified. After this time, any person installing a hot-water system in a house or townhouse would need to install one of the efficient systems. The Bill does not require anyone to replace an existing hot water system that is still working properly. Inefficient hot water systems in the ACT will be replaced gradually. Phase outs of electric hot water systems from existing dwellings are also occurring in other Australian jurisdictions.

Implementing this standard brings the ACT into line with principles agreed by the Ministerial Council on Energy in 2010 and with national model regulations which are currently being adopted by a number of other Australian jurisdictions.

### **Notes on Clauses**

#### **Clause 1 Name of Act**

This clause is a formal provision setting out the name of the proposed Act which is the *Water and Sewerage Regulation (Water Heaters) Amendment Act 2012*.

#### **Clause 2 Commencement**

This clause explains that the Act commences 12 months after its notification day amendments will take effect one year after the Act is notified. This date has been chosen to allow a lead-in time to allow ACT industry and tradespeople to prepare for

the change and to not be left with a stock of inefficient electric-resistive storage hot water systems.

**Clause 3 Legislation Amended**

This clause is a formal provision to identify that part 2 of the Bill amends the *Water and Sewerage Regulation 2001*.

**Clause 4 Schedule 2, section 2.3 (1) omit word**

This clause removes the word “new” with the effect that the existing regulation will apply to all hot water installations and not just for those in new houses.

**Clause 5 Schedule 2, new section 2.3 (2) (d)**

This clause inserts an additional exemption to the regulation to allow for the installation of electric-resistive storage hot water systems in class 1 buildings that are not connected to the national transmission grid.

This exemption is proposed in the national model regulations and is being included in the ACT regulations so that regulations are similar across jurisdictions.

**6 Schedule 2, section 2.3 (3), new definitions**

This clause inserts three additional definitions for *install*, *National Electricity (ACT) Law*, and *national transmission grid*.