

Australian Government

**Department of the
Environment and Heritage
Australian Greenhouse Office**

Gas Water Heaters

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Why are we here?

- **Energy regulators long desired to regulate gas equipment efficiency**
- **This meeting marks a new stage in that process**
- **It marks the move to new levels of cooperation between government and industry not seen previously**



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Historical context

- 1986** Electrical labelling scheme started in states
- 1992** National electrical scheme commences – water heating a priority
- 1992** National Greenhouse Response Strategy – product efficiency proposed
- 1998** National Greenhouse Strategy – proposes gas follow electrical scheme
- 1999** Government officials discuss cooperation with AGA members
- 2002** Consultant recommends elements for possible gas water heater regulation
- 2003** Government officials decide to ask Ministers for regulation mandate
- 2004** Ministers agree
- 2005** *Switched on Gas* released
- 2005** Gas water heater round robin underway
- 2006** Consumer survey of label awareness and round robin completed
- Oct 06** Here we are today



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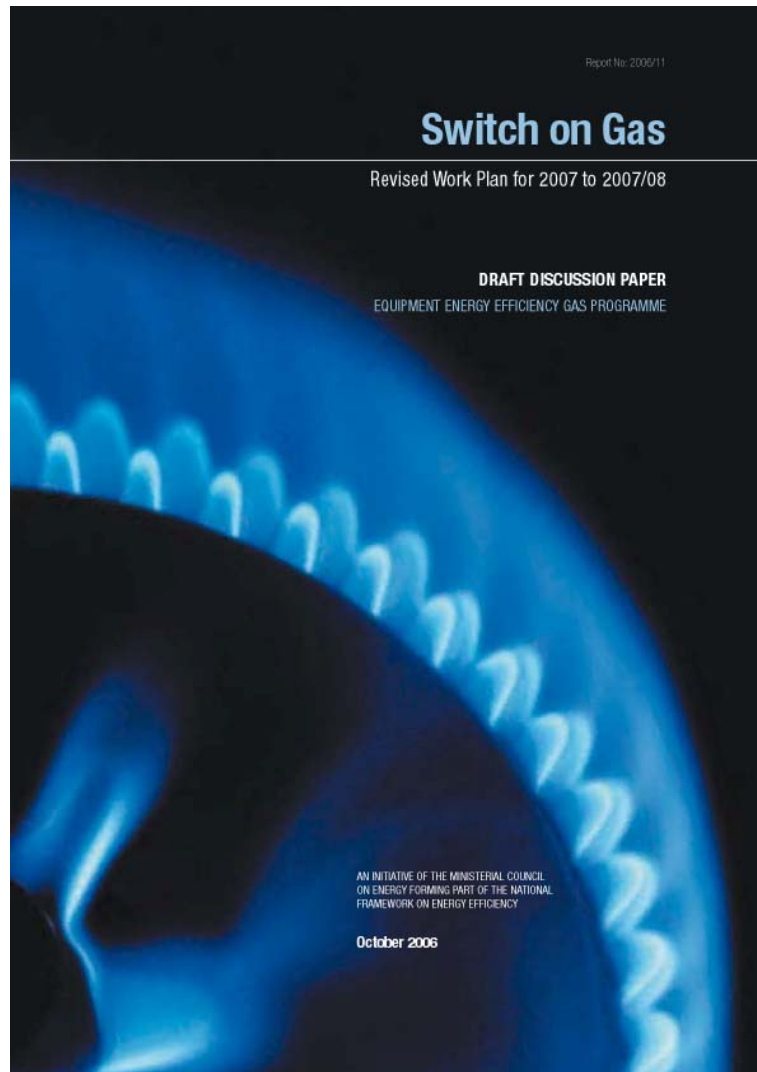


Why are we really here?

- 1. Revised Gas Work Plan (next 18 months)**
 - 1. present overview**
 - 2. release discussion draft**
- 2. Interim measures for gas water heater label**
 - 1. Discuss industry options**
 - 2. Seek your decision**
- 3. Economic analysis of improving gas water heater efficiency**
 - 1. Foreshadow the content of your voluntary scheme to be implemented before a regulatory scheme**



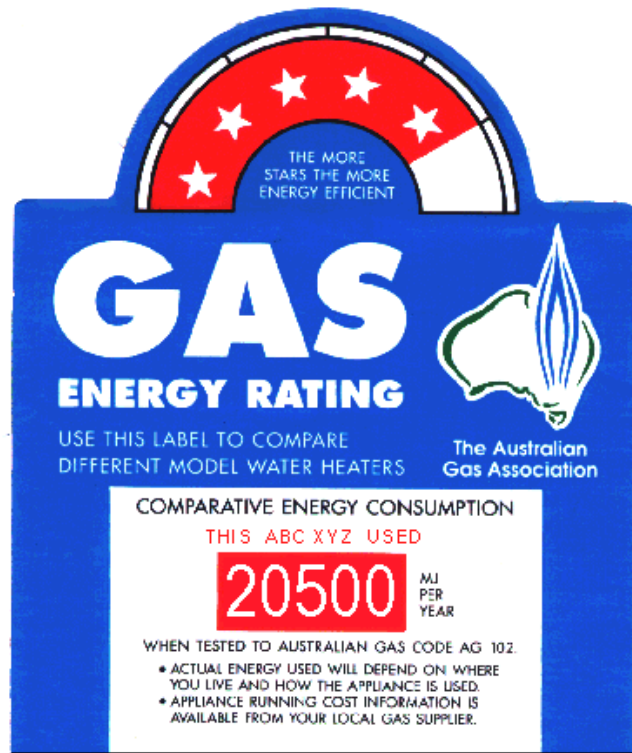
What to do about the work plan:



- There is a need to better reflect future work activity
- The AGO releases today its proposals for the remaining 18 months of the first 3 year cycle
- Your views are sought over the next few months



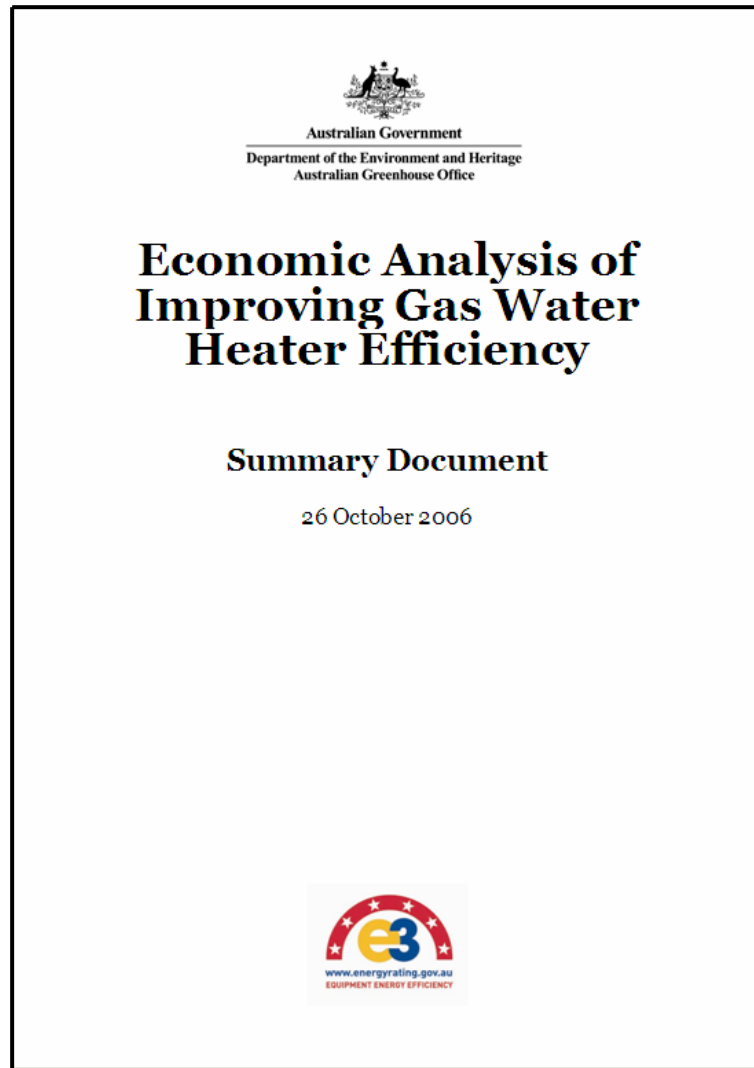
What to do about water heater labelling?



- Water heater suppliers need a short-term position
- Government will support your decision
- Your decision will be reported to Ministers and publicly



What to do about water heater performance



- If govt cannot regulate in the short term, what can GAMAA do?
- A voluntary industry agreement is possible
- AGO can help GAMAA develop the compelling economic case justifying early action



What do regulators expect?

- **On the work plan – An agreed industry position that can be reported to Ministers in January 2007**
- **On measures to improve gas water heater test and label – An industry commitment now**
- **On a published revision of test method AS 4552 – Industry agreement to timetable of July 2007 for a published draft and December 2007 for the final.**
- **On a voluntary agreement to improve efficiency – Industry agreement to the proposal being reported to Ministers in January 2007, the voluntary process commenced from February 2007 and the scheme to start in 2008**
- **On the future of water heater labelling – Industry agreement to debate the long term future in June 2007**

