

Replacement of electric hot water systems with greenhouse-friendly systems

On Sunday 3 June 2007, the Premier announced Queensland's Climate Change Strategy – ClimateSmart 2050. The strategy contains a range of initiatives, including a proposal to phase-out existing electric hot water systems in Queensland from 2010. This initiative is the first of its kind in Australia and follows action by the Queensland Government to ban installation of electric hot water systems in all new houses (Class 1 buildings) which came into effect on 1 March 2006.

When will the phase-out of electric hot water systems start?

The strategy identifies 2010 as the year for the phase-out to begin, which will allow sufficient time for industry to prepare for the increased demand for greenhouse-friendly hot water systems (solar, gas or heat pump) and for plumbers to undertake installation training.

Householders will not be forced to get rid of their existing electric hot water systems. After 2010 when an existing electric hot water system requires replacement due to breakdown, householders will need to install greenhouse-friendly systems. Alternatively, householders may choose to upgrade their ageing electric system before it breaks down. The phase-out will be implemented in stages, and the first step will involve replacing electric hot water systems in households within the reticulated gas network area with a greenhouse-efficient hot water system. For households not within the reticulated gas network area, switching to a greenhouse-friendly system will initially be voluntary.

Why is the Government phasing out electric hot water systems in existing homes?

The average Queensland household uses 35 per cent of its energy to heat water. Utilising non-electric systems for water-heating is an effective means of reducing greenhouse gas emissions and reducing household energy bills. Replacing domestic electric hot water systems in Queensland with greenhouse-friendly alternatives should reduce demand by 300 megawatts of electricity and eliminate approximately 2.6 million tonnes of greenhouse gas. The reduced demand would be the equivalent of the energy needs of 328,000 houses, which is almost all the houses in Brisbane City.

What rebates are available now?

Gas hot water systems

Rebates are available for gas hot water systems from the Queensland Department of Mines and Energy (DME). This rebate is \$300 (and a \$200 rebate is also available for other household gas items, such as stoves, ovens, space heating and clothes dryers). More details on the Gas Installation Rebate Scheme are available from DME at www.dme.qld.gov.au/gasrebate or by calling (07) 3247 3254.

Solar and heat pump hot water systems

A Federal incentive applies to solar and heat pump systems through the Office of Renewable Energy Regulator with Renewable Energy Certificates (REC's). These are available at purchase and offset the cost of the system. Further information on REC's is available from hot water system suppliers or the Office of Renewable Energy Regulator www.orer.gov.au or by calling (02) 6274 2192.

What rebates will be available in the future?

Rebates will be available to assist Queenslanders move to greenhouse-friendly systems from 2010. The government will undertake consultation in the design of the post-2010 rebate, particularly for the financial impact on low-income households.

The Government is also establishing a ClimateSmart homes rebate program that will apply to remote areas of the State. Under this program, rebates will be available for greenhouse-friendly hot water systems as well as replacing refrigerator seals, decommissioning second energy-inefficient refrigerators, and installing insulation and compact fluorescent light bulbs.

How will the electric hot water system replacement regulation apply?

Implementation of this initiative could be achieved through regulations preventing plumbers from installing electric hot water systems. The regulation will be implemented by Building Codes Queensland in the Department of Local Government, Planning, Sport and Recreation.

Will the electric hot water system replacement requirement apply Statewide?

Yes. The requirement for the phase-out of electric hot water systems is initially expected to start in 2010 for all houses (Class 1 buildings) that have access to reticulated gas supply. A date is yet to be determined for the requirement to apply to houses located outside of the reticulated gas network, however sufficient preparation time will be provided.

How do I find out if I am in the reticulated gas network?

South East Queensland residents can contact the natural gas hotline freecall 1800 007 427. For all other parts of the State residents should call their local gas distributor.

Where can I get more information?

You can obtain more information about the phase out of electric hot water systems from the Department of Local Government, Planning, Sport and Recreation on (07) 3237 1114.

