



Monday, August 14, 2023

Department of Climate Change, Energy, the Environment, and Water

AIRAH strongly supports the government's efforts to drive improvements to the energy efficiency of Australia's houses through the Household Energy Upgrades Fund. The built environment presents some of the lowest cost emissions reduction opportunities, and the fund represents a clear effort to tap into these. We also appreciate the invitation to provide input on how the fund will work.

AIRAH is a peak body for professionals working in heating, ventilation, air conditioning and refrigeration (HVAC&R) and building services. With cooling and heating accounting for up to 50 per cent of the energy used in Australian homes, the practitioners in our sector will be heavily involved in selecting, installing, commissioning and maintaining many of the technologies accessed through the fund. We offer our feedback from this perspective.

Risk area: accreditation and licensing

Because many of the products accessed through the fund will be reverse-cycle air conditioners, we recommend that licensing and accreditation requirements include a full ARCTick refrigerant handling licence, as well as the appropriate occupational licence required within the state or territory. It is important to specify a full ARCTick licence, rather than a limited one, because it will be important to size the equipment appropriately. A limited licence only covers installation of new equipment.

Risk Area: Guidelines and industry standards

The efficiency of cooling and heating equipment can be seriously compromised by poor sizing, installation, commissioning and maintenance. An audit carried out by independent experts on a selection of installations financed by the fund could indicate whether this is an issue, particularly in the early part of the program.

Many replacement heating systems that get funded will be ducted systems. To avoid substandard design and installation of ductwork, there should be strict design and installation standards for ductwork, with a particular focus on insulation, airtightness and (especially) pressure loss for the associated fan energy that pulls down the overall system efficiency. AIRAH would be happy, with other industry bodies, to contribute to this and explore how to ensure that installers adhere to its requirements.

Risk area: Insufficient installers or systems

In the case of air conditioning and refrigeration technicians, AIRAH can foresee a situation where there are not enough installers and systems available to meet demand. We recommend early and close engagement with industry – both installers and manufacturers – to prepare for the extra demand.

Another risk here relates to the increased uptake of reverse-cycle air conditioners conflicting with Australia's commitment under Kigali Amendment to the Montreal Protocol to reduce the import and use of HFC refrigerants. Although pre-charged air conditioners are not included in Australia's HFC quota, the equipment would increase the bank of refrigerant in the country, and greater quantities of bulk refrigerant gas would be required in the future to service this equipment.

Risk area: Consumer education and protection

AIRAH perceives the greatest risk to the program as consumers' inability to select the most appropriate energy efficient upgrades for their household. Without criteria and information, it may well be the installers or vendors who drive the selection of products, when houses should be considered as complete systems that will benefit from some interventions more than others.

There must be a consistent method used to measure a building's energy efficiency performance and determine which upgrades would be most effective. Perhaps any loan could have as a pre-requisite an assessment, carried out by an accredited practitioner. This could also be an excellent opportunity to advance the use of the National Framework for Disclosure of Residential Energy Efficiency Information.

Additionally, MEPS is not an appropriate or adequate protection of consumers. In some cases, larger market participants are a significant source of "price point" short-lived products, so there could be some robust resistance to any regulation of the loans being for high-performing quality pre-qualified products as suggested at the workshop. It is not reasonable to expect most consumers to adequately respond to education or guidance materials, however good, and protect themselves, particularly when they may feel comfortable with a well-known "household name".

Once again, AIRAH thanks the consultation team for the opportunity to provide input and looks forward to supporting the Household Energy Upgrades Fund as the program is finalised and rolled out.

Regards,

Mark Vender
Advocacy Lead
AIRAH