



# NSW Legislative Assembly Hansard Full Day Transcript

Extract from NSW Legislative Assembly Hansard and Papers Wednesday, 2 March 2005.

## WATER EFFICIENCY LABELLING AND STANDARDS (NEW SOUTH WALES) BILL

**Bill introduced and read a first time.**

### Second Reading

**Mr FRANK SARTOR** (Rockdale—Minister for Energy and Utilities, Minister for Science and Medical Research, Minister Assisting the Minister for Health (Cancer), and Minister Assisting the Premier on the Arts) [7.32 p.m.]: I move:

That this bill be now read a second time.

We are currently in the grip of the worst drought for 100 years. Sydney's water storages are down to 43.1 per cent of capacity and Warragamba Dam, Sydney's major source of water, is down to approximately 39.2 per cent. This is the lowest level of water storage since construction of the dam was completed in 1960. Although the current drought will eventually break, the Government believes that the effects of climate change will result in warmer weather conditions, less rainfall and higher incidences of drought in the future. Dr James Hansen from the NASA Goddard Institute for Space Studies has calculated that the global average surface temperature has already increased by about 0.75 degrees Celsius, and that there is an irreversible increase of 0.7 degrees on the way. CSIRO research indicates that droughts in New South Wales will become more frequent and more severe as the effects of climate change become more pronounced.

It is estimated that Sydney's population will increase by 1 million people in the next 25 years. This means around 33 per cent more water needs to be found to sustain this increase if we continue to consume water at the current rate. In October last year, the Government announced the Metropolitan Water Plan. The Metropolitan Water Plan is a comprehensive plan to secure Sydney's water needs sustainably for the next 25 years in the face of climate change and population growth. The bill will implement one of the most important and effective components of the plan and will give effect in this State to a nationally consistent Water Efficiency Labelling and Standards [WELS] scheme.

The purpose of the WELS scheme is to conserve water supplies by reducing water consumption through the adoption of water efficient appliances; to provide appliance efficiency and performance information to purchasers of water appliances to allow them to make a well-informed purchasing decision; and to promote the adoption of efficient and effective water-use technology. The bill also honours an election commitment by the Government in the last election to support a national scheme of performance measures for household water appliances. Residential water use accounts for 70 per cent of water consumption in the Sydney Basin. Increasing the efficiency of residential water use by promoting more efficient appliances will make a significant contribution to lowering Sydney's water consumption.

Cost-effective technologies to increase water efficiency are readily available but are not widely adopted because there is a lack of information at the point of sale about water appliance efficiency. Where this information is available it is often not in the form that would allow a consumer to directly compare the efficiencies of two competing appliances. A lack of accessible information at the point of sale is a significant barrier to the uptake of water efficient products. The WELS scheme aims to inform consumers about the relative efficiency of products. Making this information readily available will encourage manufacturers to produce, and consumers to buy, more efficient appliances. In this way, the requirement to label appliances helps shift the market towards more efficient appliances.

The proposed legislative approach is a Commonwealth-led legal framework, supported by mirror State and Territory legislation. Under this approach, the Commonwealth legislation would apply to corporations and importers. The State and Territory legislation would apply to businesses that are beyond the limit of Commonwealth constitutional power, such as unincorporated businesses. The Commonwealth's Water Efficiency Labelling and Standards Bill 2004 was passed by the Senate on 8 February 2005 and is awaiting assent. The legislation adopted by States and Territories will provide for the conferral of relevant powers and functions on a Commonwealth-based WELS regulator. The regulator will oversee the registration of WELS products to which the mandatory labelling and standards provisions apply, and will monitor and enforce compliance with the scheme.

Water-use products such as clothes washers and water-saving products such as waterless urinals may be determined to be WELS products by the relevant Commonwealth Minister in consultation with the States and Territories. WELS products cannot be sold unless they have been registered with the regulator. The bill contains a provision enabling New South Wales to pass a regulation that would prevent such a determination from having effect in this State. It is not expected that this provision would be used other than in circumstances where there are compelling reasons for doing so. The WELS scheme may require registered products to be labelled. Product labels must be designed in accordance with the WELS scheme standard and show the water efficiency rating and general performance rating of the product.

The WELS scheme may also establish minimum standards for WELS products in relation to water efficiency and general performance. A product that does not meet the minimum standards will not be registered by the regulator and therefore cannot be sold in the jurisdictions that have adopted the WELS scheme. The scheme is expected to commence voluntary participation from July 2005, with mandatory requirements commencing July 2006. This voluntary labelling period of 12 months is to provide time for manufacturers to test and register more than 3,000 appliances and fixtures so as to meet the

requirements of the scheme. The 12-months voluntary period will also provide distributors and retailers of WELS products with an adequate opportunity to adjust their product range by the time the WELS scheme becomes mandatory, that is, on 1 July 2006.

From 1 July 2006, it will be an offence to supply a WELS product that is not registered, that requires labelling in accordance with the standards and is not labelled, and that does not meet minimum WELS standards for water efficiency and minimum general performance. The bill also specifies offences in relation to the active misuse of WELS standards and related information. The regulator may seek an injunction in the Federal Court to prevent a person from engaging in an activity that is contrary to the Act. Inspectors may be appointed by the regulator to determine whether a person is complying with the Act, or to investigate a possible offence. If necessary, an inspector may apply to a magistrate for a warrant to enter premises used for, or connected with, the supply of WELS products.

A regulator may require a person, by means of a written notice, to provide WELS-related information to an inspector or to appear before a WELS inspector. Failure to provide information to, or failure to appear before, an inspector is an offence. The regulator may cancel or suspend the registration of a WELS product if the conditions of registration are not complied with and the information provided to support the application was not accurate or is no longer accurate because of changes to the product. A person whose application to register a WELS application has been rejected or who has had a WELS registration suspended or cancelled may seek an internal review by the regulator of the regulator's decision. Such a person may also seek a review of the regulator's decision by the Administrative Appeals Tribunal.

It is proposed that the WELS scheme will initially include mandatory registration and labelling for showerheads, clothes washers, dishwashers, toilets and taps. Additional products such as evaporative cooling units and water heating and storage units could be brought into the scheme at a later stage. New products proposed for inclusion in the scheme would be subject to cost-benefit analysis and public consultation. The WELS scheme will initially apply a minimum standard only to toilets for which a plumbing standard already exists. This will not impact adversely on Australian manufacturers since toilets manufactured in Australia are already efficient dual-flush systems. The minimum standard will prevent the import of single-flush toilets. The Department of Energy, Utilities and Sustainability will administer the scheme in New South Wales. The department already administers the National Appliance and Equipment Energy Efficiency Program. There are close synergies between the Energy Labelling Scheme and the proposed WELS scheme. Retailers stock both energy- and water-using appliances, and some appliances—washing machines and dishwashers—will carry energy- and water-efficiency labels. Having the two schemes administered by the one agency will enhance efficiency. The benefits of introducing the WELS scheme are impressive. It is estimated that water savings will increase each year to almost 29 billion litres of water savings in 2023 in this State alone. The net saving for New South Wales water consumers over that 18 years is \$225 million. Not only will water consumption be reduced but energy usage in showering, dishwashing machines and clothes washers will also be reduced. Less energy is required to heat the lower volume of water. By encouraging manufacturers to produce, and purchasers to buy, more efficient appliances, the WELS scheme will help water users to save money on their water and energy bills.

There are other benefits to the community from a reduction in water and energy consumption. Reduced water consumption will ease the pressure on our stressed urban water catchments and free up more water to potentially increase environmental flows. It would also reduce the energy required to pump, treat and dispose of water and wastewater. The energy savings generated by the WELS scheme are estimated to produce a reduction in greenhouse gas emissions of 570,000 tonnes annually within 18 years. The WELS scheme is one of a suite of measures to increase water supply and reduce the requirement for water in the Sydney region under the Government's Metropolitan Water Plan. Building more dams is not the answer when more cost-efficient, environmentally-friendly and easy-to-implement measures are available to secure Sydney's longer-term water requirements.

On the supply side these measures include accessing deep water at the bottom of dams which is not currently accessible, thereby adding up to six months water supply for Sydney; capturing the high flow water that runs over the Tallowa Dam on the Shoalhaven River and transferring it to Warragamba Dam; investigating groundwater stored below the surface in aquifer sources within the Greater Sydney area; contingency planning for the construction of a desalination plant to augment Sydney's water supplies in the current drought and future droughts; and the use of recycled water in the many applications that do not require drinking-quality water, such as garden watering, toilet flushing, car washing and industrial processes. These initiatives have the potential to provide more than 200 billion litres of water to Sydney's drinking water supply within 25 years.

To manage community water requirements a number of measures will be introduced, including the establishment of a \$120 million Water Saving Investment Fund to develop efficiency initiatives that deliver significant water savings; a requirement that businesses, councils and government agencies must implement water conservation plans from March 2006, and must implement cost-effective water efficiency measures by September 2007; \$328 million expenditure over the next four years to reduce leaks in water pipes; a "Smart Water Mark" labelling scheme for water-saving products such as trigger hoses, tap timers, weep hoses, and mulch and rainfall sensors to reduce outdoor water consumption; a requirement that all houses sold after 1 July 2007 must meet a minimum level of water efficiency—to assist householders in this regard Sydney Water's retrofit program will be extended indefinitely; and a mandatory labelling and water efficiency scheme for water appliances, which is the subject of this bill.

The Government is committed to providing a reliable, affordable and sustainable supply of water. The Water Efficiency Labelling and Standards (New South Wales) Bill is an important component of the Government's plan to secure Sydney's water requirements for the longer term in the face of climate change and population growth. The bill delivers substantial benefits to the people of New South Wales and I commend it to the House.