



VEU Consultation Paper Submission

Consultation on administrative requirements for water heating and space heating and cooling activities

By: Creditex – 1 November 2024

Consultation questions on proposed decommissioning guidance and decommissioning and disposal record-keeping requirements.

**1. Do you have any feedback on the proposed decommissioning guidance for water heating and space heating and cooling activities? Do you consider the guidance to be practical and achievable? If not, why?**

→ Creditex finds the proposed guidance to be practical and achievable. We agree that clarifying the methods and materials used to seal or cap gas piping in accordance with the AS/NZS 5601.1 standard will help mitigate the risks associated with consumers and installers potentially reconnecting gas heating products after upgrades.

We suggest that more specification of electrical disconnection and water supply disconnection like the proposed guidance for gas seal/capping should be provided as well. We believe that the first bullet point under the proposed Decommissioning Guideline in Table 3 should include examples of appropriate steps to make the electrical connection safe (like the ones provided for gas and water).

In cases where existing products cannot be safely or practically removed, we support the need for justification. However, it is not clear in which form Accredited Persons will have to provide this justification. Creditex believes some examples on how to do this would be beneficial. We note the current VEEC Assignment Form already includes part of this, perhaps the explanation should be provided as part of the Assignment Form.

Additionally, geo-tagged photographic evidence demonstrating that the existing product has been rendered permanently unusable should always be provided, even if the product remains on the premises. In the case of products left on site due to unpracticality or safety reasons, Creditex believes that apart from the current requirements for geo-tagged photos, it should be specified that such photos should provide clear evidence of the location of the systems in wide-angles (not only close ups). We also agree that further clarification on the methods used to permanently disable the existing product is beneficial.

**2. Do you have suggestions for alternative steps installers should be taking to decommission water heating and/or space heating and cooling products?**

→ We recommend adding a clarifying sentence to the guidance rather than providing an alternative step. Specifically, we propose including a statement in the VBA that specifies the method and materials used to seal the gas piping, confirming that they comply with AS/NZS 5601.1. This addition would support geo-tagged photographic evidence.

Creditex believes that for products which are impractical or unsafe to remove, further decommissioning geo-tagged photographic evidence (not only of the system but other "accessories", i.e. control panel/remotes installed on the wall, which is connected to the product itself) should also be provided.

**3. Do you have feedback on the proposed records that accredited persons must collect and maintain to evidence the decommissioning of water heating and/or space heating and cooling products? Do you consider the requirements to be practical and achievable? If not, why?**

→ Creditex support the VEU not requiring individual recycling receipts/certificates. It did create administrative burden for relevant parties, However, Creditex will do monthly or quarterly check with our installers and ask them to provide receipts or other proof that shows that they are still recycling old products according to the EP Acts and its regulations.

We fully support the requirement for accredited persons to provide geo-tagged photographic evidence confirming that the baseline product has been rendered permanently unusable. This aligns with the initial proposed changes aimed at preventing the reuse of existing products once they have been replaced with more efficient alternatives. This measure will further strengthen our commitment to ensuring proper decommissioning practices.

**4. Do you have suggestions for alternative or additional forms of records that could be provided to verify the decommissioning of water heating and/or space heating and cooling products?**

→ No suggestions at this time but some of our remarks in the questions above may be applicable to this question

**5. Do you have feedback on the proposed removal of records that accredited persons must collect to evidence the disposal of water heating and/or space heating and cooling products in compliance with the EP Act and its regulations?**

→ Creditex understands the rationale behind removing the requirement to provide recycling certificates/invoices evidence and agrees with this change. We note, however, that Accredited Persons are still responsible to ensure compliance with EPA requirements which may result in us retaining those requirements for our clients so that we can ensure and demonstrate compliance if/where needed.

Consultation questions on proposed sizing and pricing record-keeping requirements

**6. Do you have any feedback on the proposed record-keeping requirements for space heating and cooling activity in relation to appropriate sizing of products? Do you consider the requirements to be practical and achievable? If not, why?**

→ Creditex believes that requiring room dimensions may not effectively assist the VEU in assessing the most appropriate products for consumers. We feel that modern air conditioning technology has advanced significantly, and imposing sizing requirements in the assignment form could create a considerable administrative burden for all parties involved.

We recommend that the VEU consider updating the Consumer Fact Sheet to reflect current advancements in air conditioning technology. It's important to convey that a larger AC system does not necessarily equate to higher energy consumption. Modern systems can adjust their performance based on customer needs, achieving optimal efficiency while maintaining the desired temperature.

We understand that the VEU aims to keep the sizing requirements straightforward, given that the Consumer Fact Sheet provides a high-level sizing guideline. It's important to note that the Consumer Fact Sheet should be seen as a recommendation rather than an installation requirement. Given that customer needs can vary widely, and it is the installer's responsibility to present multiple suitable options during the engagement process, which may occasionally lead to suggestions that fall outside the Fact Sheet guidelines.

**7. Do you have suggestions for alternative or additional forms of records that could be provided to evidence that products installed have been appropriately sized to meet the heating and cooling needs of the consumer having regard to the consumer's premises?**

→ No suggestions from Creditex at this time.

**8. Do you have any feedback on the proposed record-keeping requirements for the space heating and cooling activity in relation to the pricing of upgrades? Do you consider the requirements to be practical and achievable? If not, why?**

→ Creditex agrees with the proposed transparency of pricing of upgrades. No objections.

## Consultation questions on replacement of existing ductwork

### **9. Do you have a position on whether installers should be required to replace existing gas ductwork and duct fittings when upgrading from a ducted gas heater to ducted RCAC under the VEU program?**

- While we acknowledge the potential risks associated with reusing existing gas ductwork—such as suboptimal performance or inappropriate sizing for new products—we also recognize the benefits it can offer. Creditex is aware of both the advantages and disadvantages of reusing ductwork and believes that mandating its replacement may not be necessary.

If consumer satisfaction is our primary focus, we should empower consumers to choose between using their existing ductwork or opting for a replacement. An acceptable form of agreement that can be provided as evidence to show customer decision before install would mitigate future complaints. Installers should continue to recommend the "best" solution while considering the consumer's financial situation and the condition of their existing product. With the upcoming minimum co-payment requirements, it's essential to ensure that customers do not feel pressured or forced into making a difficult financial decision where finance is not available.

It is important to note that replacing air conditioning systems under the current scheme incurs costs. Imposing a requirement to replace ductwork may result in unnecessary expenses for consumers, especially if their existing air conditioning system—and thus the ductwork—is relatively new (only about 10-15 years old). Moreover, if all existing ductwork needs to be replaced, the resulting waste would be substantial.

There are currently no regulations governing the age of air conditioning systems that necessitate replacement with new products. Thus, to address concerns regarding the age of ductwork, we suggest establishing a minimum age requirement, i.e. 15 years old minimum, for replacement. This would help mitigate the risk of using degraded ductwork that could lead to long-term issues for consumers. New ductwork should be recommended only when the existing ductwork is incompatible with the new product, incorrectly sized, or too old for safe use. A thorough assessment of the existing ductwork is essential to determine the best option for the consumer.

### **10. Are you familiar with these "easy replacement" ducted RCAC products that are being marketed as being suitable for connection to existing gas ductwork? Do you have views on whether such products should be able to be installed under the VEU program using existing gas ductwork?**

- Creditex is familiar with "easy replacement" ducted reverse cycle air conditioning systems. This innovative approach from manufacturers aims to reduce consumers' financial burden while also minimizing environmental waste. As product designs evolve, they will become more adaptable, thereby decreasing the potential risk of incompatibility with existing ductwork, especially when the current gas ductwork is still in good condition.