

Public engagement summary: Consultation on guidance and requirements for water heating and space heating and cooling activities under the Victorian Energy Upgrades program

Background

The Department of Energy, Environment and Climate Action (the department) has released the following revisions to water heating activities (activities 1 and 3), and the space heating and cooling activity (activity 6) under the Victorian Energy Upgrades (VEU) program since May 2023:

- the making of the Victorian Energy Efficiency Target Amendment (Electrification and Home Energy Rating Assessment) Regulations 2023
- the release of Victorian Energy Upgrades Specifications 2018 – version 15.0 (VEU Specifications) in May 2023
- the release of Victorian Energy Upgrades Specifications 2018 – version 16.0 (VEU Specifications) in December 2023
- the release of Victorian Energy Upgrades Specifications 2018 – version 17.0 (VEU Specifications) in July 2024.

These heating and cooling activities are critical to supporting the electrification transition across Victorian homes and reducing consumer energy bills.

Over this period, we received feedback from accredited persons and scheme participants on a range of issues relating to the administration of these activities. We also identified areas where changes to the administrative requirements of the activities would reduce the risks of these activities delivering poor outcomes for consumers and undermining the integrity of the VEU program.

In response to the issues identified, we released a [consultation paper on 18 October 2024](#) inviting feedback on proposed amendments to the following requirements for these activities:

- decommissioning
- disposal
- record-keeping
- certificate creation forms.

How we engaged



Key dates

- 18 October 2024: consultation released
- 3 November: consultation closed
- 12 December: release of revised guides and forms



Methodology

We sought feedback and submissions via the commission website on the proposed revised guidance materials, record-keeping requirements and forms for water heating and space heating and cooling activities. All stakeholders on the program's mailing list were notified of the consultation via email.



Number of submissions received (written, verbal)

Written submissions were received from ten stakeholders, comprising:

- 8 accredited providers
- 1 installer company
- 1 product supplier company

Summary of feedback

Stakeholder feedback was mainly supportive of the proposed changes to requirements outlined in the consultation paper. Key feedback themes included:

- 7 stakeholders (87% of respondents) provided feedback that they considered the proposed decommissioning guidance to be practical and achievable.
- 6 stakeholders (67% of respondents) supported the proposed amended record keeping requirements. 2 stakeholders (22%) advocated for additional flexibility in the proposed record keeping requirement.
- 7 respondents (78%) provided feedback that they considered the proposed sizing record changes to be practical and achievable. 2 respondents recommended applying the proposed requirements to apply to multi-split systems only and not ducted systems.
- 7 respondents (78%) considered the proposed pricing record changes to be practical and achievable.
- Feedback from respondents on whether installers should be required to replace existing gas ductwork was mixed, with 7 respondents (70%) indicating that installers should not be required to replace existing gas ductwork in every scenario.

In response to the feedback, we have adjusted our proposed changes to guidance, record-keeping requirements, and forms. These include:

- provision of additional guidance around the decommissioning of an electric product and sealing of gas pipes
- amendments to the VEEC assignment forms for water heating and space heating activities to require the recording of the justification where product is not removed from the consumer's premises
- requiring the collection of a geo-tagged photograph showing the location of the existing product – the photograph to be taken at a wide angle to show the location of the product (where existing product has not been removed from the consumer's premises)
- limiting the requirement to collect sizing record changes only to installation of multi-split systems only
- clarifying that proposed pricing information will only be required to be captured in the VEEC assignment form where the information is not already captured in the invoice for the upgrade.

We have also provided feedback on the matters below raised by stakeholders to the department to consider as policy owners of the program:

- Feedback that the VEU Space Heating and Cooling Consumer Fact sheet does not appropriately account for advancement in reverse cycle air-conditioning technology.
- Feedback on the replacement of existing gas ductwork issue

We released our updated activity guidance, record-keeping requirements, assignment forms and creation forms for the program's water heating and space heating and cooling activities on 12 December 2024. In releasing these changes, we have sought to strike the right balance between protecting consumers and the integrity of the VEU program, and the compliance burden on participating businesses.