

22 February 2021

Manager, Gas Heater Safety
Energy Safety and Security Branch
Department of Environment, Land, Water and Planning
PO Box 500
East Melbourne, VIC, 8002

Via electronically via the web form <https://engage.vic.gov.au/open-flued-gas-space-heaters>

GEA RESPONSE TO THE REGULATORY IMPACT STATEMENT: OPEN FLUED GAS SPACE HEATERS

Dear Gas Heater Safety Manager

Gas Energy Australia (GEA) welcomes the opportunity to respond to the Regulatory Impact Statement (RIS): *Open Flued Gas Space Heaters (OFGSHs)*.

By way of background, GEA is the national peak body which represents the bulk of the downstream alternative gaseous fuels industry, which covers Liquefied Petroleum Gas (LPG), Liquefied Natural Gas (LNG) and Compressed Natural Gas (CNG). The industry comprises major companies and small to medium businesses in the gas fuels supply chain including producers, refiners, distributors, transporters, retailers, vehicle manufacturers, equipment manufacturers and suppliers, installers, educators and consultants.

GEA is supportive of the Victorian Government's primary objective of ensuring the health and safety of the community by reducing the risk of carbon monoxide (CO) exposure and CO poisoning from OFGSHs in Victoria. Further, GEA welcomes the Victorian Government's initiative on this issue and recommends enhancements to the safety performance of OFGSH's through Standards Australia processes that will benefit all Australians.

GEA has continued to advocate for a national solution and is supportive of the preferred approach in the RIS to phasing out OFGSHs, ie 'Option 2 – Fast-tracked standards-based approach' which allows enhancements to the safety performance of OFGSHs to be made uniformly across all states and territories through Standards Australia processes, which would require OFGSHs to shut down within 15 minutes in a negative pressure environment.

GEA considers Option 2 to be preferable for a number of reasons, which have also been outlined in the RIS. These include:

- Ensuring consistency between Australian jurisdictions and taking into account the impact of a non-compliant product entering Victoria from other states and territories across State borders and the issue of internet appliance purchases where an individual or organisation can buy an appliance from a supplier in a different state. GEA also notes that through national approaches, there have been some successes at identifying and removing noncompliant

products from the marketplace, and this would be more difficult if jurisdictions were out of lockstep and a variety of state-based solutions were adopted.

- Providing industry lead time to prepare for a safe and orderly transition and allowing production processes to ensure compliance.
- Option 2 is also expected to have a lesser impact on the broader gas market (eg, impact on consumer perceptions of gas as an energy source) and therefore better maintains consumer confidence in gas. GEA considers it critical to maintaining consumer confidence in the use of gas for residential appliances, particularly in regional and remote areas where a loss of confidence in the use of gas can result in an increased electrical load in edge of grid areas (where around 28,000 km of Single Wire Earth Return power lines exist in Victoria) due to a declining use of gas for space heating and lack of alternative fuelled options.

With regards to the cost benefit analysis, GEA considers it supports Option 2 as the preferable pathway as it has lower expected costs and a potentially lesser impact on the broader gas market for consumers, while also delivering estimated net benefits little different from the other options. The delayed implementation of Option 2 would also better help to achieve other objectives highlighted in the RIS such as ensuring people have continued access to heating, maintaining affordability of heating for consumers, maintaining consumer confidence in gas and limiting impacts on industry and supporting industry through the transition.

As noted in the RIS, industry, manufacturers and regulators have already established a working group to initiate this process and Standards Australia has already developed a draft of the proposed amendments. GEA as a member of the Standards Australia Technical Committee AG-001 *Gas Appliances*, has supported the Project Proposal.

In conclusion, GEA is supportive of the Victorian Government's initiative to better protect the health and safety of Victorians through this consultation process. In particular, GEA supports the pathway of Option 2 and exploration of other options considered but not included for detailed RIS, including education and training, and regular servicing of OFGSHs in all buildings where they are installed to mitigate against the behavioral and environmental factors identified in earlier consultations.

GEA would welcome the opportunity to discuss these issues in greater detail. If you have any questions regarding this submission, please do not hesitate to contact GEA's Policy Adviser Melissa Dimovski at mdimovski@gasenergyaustralia.asn.au.

For your consideration

A handwritten signature in black ink, appearing to read "John Griffiths", with a long horizontal flourish extending to the right.

Mr John Griffiths
Chief Executive Officer
Gas Energy Australia