



Hon Stirling Hinchliffe MP
Member for Stafford



Minister for Infrastructure and Planning

Our ref: 09/25684

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Bernie Bugdalski
President
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Dear Bernie

Thank you for your letter of 14 August 2009 about your legal advice on the sale and installation ban of inefficient air-conditioners.

Approximately 67 per cent of homes in Queensland have at least one air-conditioner installed. This has risen from approximately 32 per cent in 1994. By 2020, predictions suggest this figure will increase to over 80 per cent of homes. Due to the increased installation and use of air-conditioners in Queensland, there is significant benefit in expediting more stringent standards to reduce the need for upgrades to electricity infrastructure in response to 'peak loads', and to meet the Queensland Government's *Toward Q2* target to reduce greenhouse gas emissions by one-third by 2020.

The *Improving Sustainable Housing in Queensland* discussion paper released by the Queensland Government on 15 June 2008, sought community feedback on a proposal to increase mandatory energy efficiency requirements for air-conditioners. Preventing the sale and installation of inefficient air-conditioners received the highest level of community support of all the proposed measures (95 per cent), and was strongly supported by energy providers and housing industry stakeholder organisations.

The Queensland Government announced the approved sustainable housing measures including the ban on the installation of inefficient air-conditioners from 1 July 2009. The installation ban requires that new or replacement air-conditioners installed (via plug or hard wired) in houses, townhouses (class 1 buildings) and units (class 2 buildings) in Queensland, meet a minimum tested average energy efficiency ratio (EER) of 2.9.

On 24 June 2009, an amendment to the commencement date of the installation ban and a proposed date for a sales ban of inefficient air-conditioners was announced. Following industry feedback, such as that received at my meeting with representatives of the Air-Conditioning and Refrigeration Equipment Manufacturers Association of Australia and the Consumer Electronics Suppliers Association on 22 May 2009, an additional lead-in time for the installation ban was allowed. This was intended to provide manufacturers, installers and retailers the opportunity to sell or redistribute stock that did not meet the tested average 2.9 EER standard.

On 1 September 2009, the proposed sales ban commenced following approval to amend the *Electricity Regulation 2006*, the *Mutual Recognition (Queensland) Temporary Exemptions Regulation 2009* and the *Trans-Tasman Mutual Recognition (Queensland) Temporary Exemptions Regulation 2009*. As a result, air-conditioners with an EER of less than 2.9 are not permitted to be sold from 1 September 2009 in Queensland. The amendments also temporarily exempt inefficient air-conditioners from the *Mutual Recognition Act 1992* (Cwth) mutual recognition principle from 1 September 2009 to 31 August 2010.

In the spirit of cooperative federalism, the Queensland Government participates in and supports a wide variety of national forums which promote a consistent approach to regulatory matters. As such, the Government is an active participant in the national processes through the Equipment Energy Efficiency Program under the Ministerial Council on Energy's National Framework for Energy Efficiency. However, within this arrangement each jurisdiction retains its right to introduce its own more stringent regulations where it is determined that there is significant benefit in doing so. Due to the increasing use of air-conditioners in Queensland, there is great benefit in expediting the introduction of more stringent standards for air-conditioners. This will help to reduce the need to upgrade electricity infrastructure and to help meet the Queensland Government's *Toward Q2* target to reduce greenhouse gas emissions by one-third by 2020.

Further, the Queensland Government remains committed to continuing to develop an energy efficiency policy under the new National Strategy for Energy Efficiency (NSEE), which includes more stringent regulation for household air-conditioners. It is anticipated that the Queensland air-conditioner initiative will prevent approximately one-third of existing units in the market (a weighted average across affected system types) from being sold and installed. As such, this policy is consistent with the broader NSEE framework which seeks to implement energy efficiency initiatives across the Australian economy.

In regard to the legal opinion received from your barrister, Mr Tom Brennan, the Department of Infrastructure and Planning (DIP) appreciates your feedback in relation to these matters. To ensure that the legislation accurately reflects the policy intent, I have asked DIP's Building Codes Queensland Division to work with your organisation to investigate whether any amendments are required to successfully implement the new code and provide certainty to industry.

I trust this information is of assistance. If you require any further information, please contact Ms Natalie Wilde, A/Director, Building Codes Queensland Division, Local Government and Planning Group, Department of Infrastructure and Planning, on 3239 0029 who will be pleased to assist.

Yours sincerely



Stirling Hinchliffe MP
Minister for Infrastructure and Planning