

# Review of administrative requirements for water heating and space heating and cooling activities – Consultation Paper

18 October 2024



## Acknowledgement

We acknowledge the Traditional Owners of the lands and waterways on which we work and live.

We acknowledge all Aboriginal and Torres Strait Islander communities and pay our respects to Elders past and present.

As the First Peoples of this land, belonging to the world's oldest living cultures, we recognise and value their knowledge, and ongoing role in shaping and enriching the story of Victoria.

### An appropriate citation for this paper is:

Essential Services Commission 2024, Review of administrative requirements for water heating and space heating and cooling activities – Consultation Paper: 18 October

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# Contents

Overview	3
Purpose of this consultation paper	3
1. Proposed changes to guidance and record-keeping requirements for decommissioning and disposal	6
1.1. Current guidance on decommissioning in the activity guide	6
1.2. Proposed updated guidance on decommissioning	9
1.3. Current record-keeping requirements relating to decommissioning and disposal	13
1.4. Proposed updated record-keeping requirements relating to decommissioning and disposal	16
2. Proposed changes to record-keeping and VEEC assignment/creation form requirements relating to space heating and cooling product sizing and pricing	19
2.2. Current VEEC assignment form and VEEC creation form requirements for product sizing	19
2.3. Proposed new record-keeping requirements and VEEC creation form requirements for product sizing	20
2.4. Proposed new VEEC assignment form and VEEC creation form requirements for the pricing of upgrades	21
3. Replacement of existing ductwork when replacing ducted gas heaters with ducted reverse cycle air-conditioners	22
4. Summary of consultation questions	24
5. Next steps	26

# Overview



We are seeking stakeholder feedback on the proposed decommissioning, disposal, record-keeping and certificate creation form requirements for water heating (activities 1 and 3) and space heating and cooling activity (activity 6).

## Purpose of this consultation paper

The Department of Energy, Environment and Climate Action (the department) has released a number of 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 via:

- 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 under the VEU program are critical to supporting Victoria's electrification transition across Victorian homes and to support Victorian consumers to reduce their energy bills.

The Essential Services Commission (the commission) has received feedback from accredited persons and scheme participants on a range of issues relating to the administration of these activities. The commission has also identified a few areas where changes to the administrative requirements of the activities are needed to reduce the risks of these activities delivering poor outcomes for consumers and undermining the integrity of the VEU program.

We are seeking feedback from accredited persons, scheme participants and other stakeholders on proposed amendments to decommissioning, disposal, record-keeping, and certificate creation form requirements for these activities.

Stakeholder feedback will inform changes to our guidance materials and revised requirements that will aim to strike the right balance between protecting consumers and the integrity of the VEU program, and the compliance burden on participating businesses.

## Have your say

You are invited to provide feedback on the proposed decommissioning, record-keeping, and certificate creation form requirements outlined in this paper for the program's water heating activities (activity 1 and 3) and space heating and cooling activity (activity 6).

Submissions must be received by: **3 November 2024**.

Submissions should be emailed to [veu@esc.vic.gov.au](mailto:veu@esc.vic.gov.au) and should contain the following subject line: 'Consultation on requirements for water heating and space heating and cooling activities'.

Unless you tell us otherwise, we will publish your submission on our website. If you wish your submission to remain confidential, please let us know why in writing. You can review the commission's submissions policy [here](#).

## About the Victorian Energy Upgrades program

The VEU program helps reduce Victoria's greenhouse gas emissions by providing access to discounted energy-saving products and activities via accredited providers. When these businesses (referred to as accredited persons) undertake an eligible energy upgrade, they create Victorian energy efficiency certificates (VEECs) under the program. Each certificate represents one tonne of carbon dioxide equivalent of greenhouse gas saved. For more information on the VEU program please visit [www.esc.vic.gov.au/veu](http://www.esc.vic.gov.au/veu).

VEU program activities are prescribed and specified in the Victorian Energy Efficiency Target Regulations 2018 (VEET Regulations), Victorian Energy Efficiency Target (Project-Based Activities) Regulations 2017 and associated specifications.

## Our role

The commission is responsible for regulating participants in the VEU program and administering the program in accordance with the program's Act, regulations and specifications which are developed by the department.

The commission publishes guidance to assist participants in the program to comply with the program rules. The commission is also responsible for setting the administrative framework for the program, including:

- setting the records that an accredited person must collect and keep to evidence activities are undertaken in compliance with VEU program legislation and other relevant legislation (including but not limited to the *Australian Consumer Law*, the *Electricity Safety Act 1998*, the *Gas Safety Act 1997*, the *Occupational Health and Safety Act 2004* or the *Building Act 1993*, *Environment Protection Act 1970*, or the regulations under any of those Acts).

- prescribing the manner and form of certificate creation forms and forms used for the assignment of certificates (VEEC assignment forms).

# 1. Proposed changes to guidance and record-keeping requirements for decommissioning and disposal

The decommissioning and disposal requirements for water heating and space heating and cooling activities as specified in the VEU Specifications are:

*The decommissioned product must be decommissioned in a practical and safe manner to ensure it cannot be re-used again.*

*Any waste or debris generated from the activity, including the decommissioned product (where it is practical and safe to remove the decommissioned product), must be removed from the consumer's premises and disposed of in accordance with all applicable waste management requirements under the Environment Protection Act 2017 and its regulations.*

## 1.1. Current guidance on decommissioning in the activity guide

The decommissioning and disposal requirements for the water heating activity are on pages 13 to 16 of the [Water Heating and Space Heating and Cooling Activity Guide](#) (the activity guide). The decommissioning and disposal requirements for the space heating and cooling activity are stated on pages 30 to 33 of the activity guide.<sup>1</sup>

Tables 10 and 21 of the activity guide provide a step-by-step guide to assist accredited persons and scheme participants to understand the key steps and decisions in determining how to decommission a product in a safe and practical manner. The tables are set out below.

Table 1: Current decommissioning step-by-step guidance and considerations for activities 1 and 3

Stage	Current decommissioning guidance
<b>Decommission</b>	<p>Steps involved in disabling the old product.</p> <ul style="list-style-type: none"><li>• Is product connected to electrical supply? If yes, the product must be disconnected and appropriate steps taken to make the electrical connection safe.</li><li>• Is product connected to gas supply? If yes, the product must be disconnected and appropriate steps taken to make the gas connection safe (e.g. sealed to be gastight).</li><li>• Is product connected to water supply? If yes, the product must be disconnected and appropriate steps taken to make the inlet and outlet water connections safe (e.g. sealed to be watertight).</li></ul>

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<sup>1</sup> We note that decommissioning and disposal requirements are not required when undertaking “no decommissioning” scenario (xi) under activity 6

Stage	Current decommissioning guidance
	<ul style="list-style-type: none"> <li>• Is the water heater product attached to a solid fuel appliance? If yes, the water jacket must be removed from the solid fuel appliance or where it cannot be removed, appropriate steps taken to make the water jacket safe.</li> <li>• Is the product a gravity-fed water heater? If yes, it is the commission's expectation that you drain the water from the tank.</li> </ul> <p>Is the old product safe and practical to remove?</p> <ul style="list-style-type: none"> <li>• If yes, the old product must be removed and recycled or disposed of appropriately.</li> <li>• If the old product is not safe and practical to remove, it is the commission's expectation that consumers are informed that the product will be left in-situ before the consumer agrees to undertake the upgrade.</li> <li>• Products which the commission understands may not be safe and practical to remove include: <ul style="list-style-type: none"> <li>– systems where removal is impractical (e.g. gravity-fed water heater systems)</li> <li>– product components located on the roof where electric boosted solar water heaters or gas boosted solar water heaters with non-functional components are replaced</li> <li>– systems where removal would result in substantial remediation work to the building environment</li> <li>– systems where removal would raise health and safety risks. Note that where removal of a system involves asbestos, the removal or disposal of asbestos must be performed in accordance with applicable legislation.<sup>2</sup></li> </ul> </li> <li>• If the old product is not safe and practical to remove, can further steps be taken to render the product permanently unusable in a safe and practical manner? <ul style="list-style-type: none"> <li>– Steps which the commission considers may be safe and practical include:</li> <li>– Removal of heating element or burner /electrical component /control board or unit.</li> <li>– If a water tank is present, damaging the tank to render permanently unusable, e.g. by drilling a hole in the tank.</li> <li>– If no further safe and practical steps can be taken, leave product in a disabled state.</li> </ul> </li> </ul>

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<sup>2</sup> See [absestos.vic.gov.au website](http://absestos.vic.gov.au) for detailed information about responsibilities and legal duties of tradespeople and builders when dealing with asbestos.



Table 2: Current decommissioning step-by-step guidance and considerations for activity 6

Stage	Decommissioning guidance
<b>Decommission</b>	<p>Steps involved in disabling the old product.</p> <ul style="list-style-type: none"> <li>• Is product connected to electrical supply? If yes, the product must be disconnected, and appropriate steps taken to make the electrical connection safe.</li> <li>• Is product connected to gas supply? If yes, the product must be disconnected and appropriate steps taken to make the gas connection safe (e.g. sealed to be gastight).</li> <li>• Does product contain refrigerant? If yes, you will need to take steps to recover refrigerants for safe disposal.</li> </ul> <p>Is the old product safe and practical to remove?</p> <ul style="list-style-type: none"> <li>• If yes, the old product must be removed and recycled appropriately.</li> <li>• If the old product is not safe and practical to remove, it is the commission's expectation that consumers are informed that the product will be left in-situ before the consumer agrees to undertake the upgrade.</li> <li>• Products which the commission understands may not be safe and practical to remove include: <ul style="list-style-type: none"> <li>– systems where removal is impractical (e.g. central electric resistance heating systems and slab heating systems)</li> <li>– systems where removal would result in substantial remediation work to the building environment</li> <li>– systems where removal would raise health and safety risks. Note that where removal of a system involves asbestos, the removal or disposal of asbestos must be performed in accordance with applicable legislation.<sup>3</sup></li> </ul> </li> </ul> <p>If the old product is not safe and practical to remove, can further steps be taken to render the old product permanently unusable in a safe and practical manner?</p> <ul style="list-style-type: none"> <li>• Steps which the commission considers may be safe and practical include the removal of heating element or burner / electrical component / control board or unit.</li> <li>• If no further safe and practical steps can be taken, leave product in a disabled state.</li> </ul>

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<sup>3</sup> See [Absestos.vic.gov.au website](http://Absestos.vic.gov.au) for detailed information about responsibilities and legal duties of tradespeople and builders when dealing with asbestos.

## 1.2. Proposed updated guidance on decommissioning

We have received feedback from industry and complaints from consumers about alleged inappropriate decommissioning practices being adopted by a number of installers. We are aware of a number of installers who may only be disconnecting and capping off gas pipes as part of upgrades involving the replacement and decommissioning of gas heating products. We have also received stakeholder feedback claiming that some consumers may intend to reconnect gas heating products after the completion of an upgrade.

It appears that this issue is mostly related to the decommissioning of gas ducted heating products (under activity 6). However, this may also be occurring when upgrading water heating products under activities 1 and 3. The commission's position is that the following scenarios for upgrades involving the decommissioning of gas appliances do not satisfy the decommissioning requirements of the VEU program as it doesn't ensure that old systems cannot be re-used again:

- disconnection only
- disconnection and capping off gas pipes.

We are proposing updates to the decommissioning guidance included in the activity guide for water heating activities (activities 1 and 3) and for the space heating and cooling activity (activity 6) to:

- clarify that when decommissioning a gas product, the gas pipe supply must be sealed and capped off in accordance with AS/NZS 5601.1
- clarify that the commission expects most products to be removed from the consumer's premises. Where a product is not removed, accredited persons may need to provide a justification which satisfies the commission that the product was not practical and safe to remove as part of their VEEC creation claim.
- clarify that where a product is not removed from the consumer's premises, it must be rendered permanently unusable.
- include further guidance on what steps installers should take to render a product permanently unusable (particularly if left in situ).

The proposed updated decommissioning guidance for water heating and space heating and cooling activities is detailed in tables 3 and 4 below.

Table 3: Proposed new decommissioning step-by-step guidance and considerations for activities 1 and 3

Stage	Decommissioning guidance
<b>Decommission</b>	<p>Steps involved in disabling the old product.</p> <ul style="list-style-type: none"> <li>• Is product connected to electrical supply? If yes, the product must be disconnected and appropriate steps taken to make the electrical connection safe.</li> <li>• Is product connected to gas supply? If yes, the product must be disconnected and steps taken to make the gas connection safe (i.e. to seal and/or cap off the gas piping using appropriate materials in accordance with AS/NZS 5601.1).</li> <li>• Is product connected to water supply? If yes, the product must be disconnected and appropriate steps taken to make the inlet and outlet water connections safe (e.g. sealed to be watertight).</li> <li>• Is the water heater product attached to a solid fuel appliance? If yes, the water jacket must be removed from the solid fuel appliance or where it cannot be removed, appropriate steps taken to make the water jacket safe.</li> <li>• Is the product a gravity-fed water heater? If yes, it is the commission’s expectation that you drain the water from the tank.</li> </ul> <p>Is the old product safe and practical to remove?</p> <ul style="list-style-type: none"> <li>• If yes, the old product must be removed and recycled or disposed of appropriately. It is the commission’s expectation that most products should be removed from the consumer’s premises and disposed of by the installer.</li> <li>• Products which the commission understands may not be safe and practical to remove include: <ul style="list-style-type: none"> <li>– products where removal is impractical (e.g. gravity-fed water heater systems)</li> <li>– product components located on the roof where electric boosted solar water heaters or gas boosted solar water heaters with non-functional components are replaced</li> <li>– products where removal would result in substantial remediation work to the building environment</li> <li>– products where removal would raise health and safety risks which cannot be adequately managed by the installer. Note that where removal of a product involves asbestos, the removal or disposal of asbestos must be performed in accordance with applicable legislation.<sup>4</sup></li> </ul> </li> </ul>

<sup>4</sup> See [absestos.vic.gov.au website](http://absestos.vic.gov.au) for detailed information about responsibilities and legal duties of tradespeople and builders when dealing with asbestos.

Stage	Decommissioning guidance
	<ul style="list-style-type: none"> <li>• Where a product is not removed from the consumer's premises, accredited persons will be required to provide a justification which satisfies the commission as to why the product was not practical and safe to remove where an activity is subject to a request for information (RFI) as part of the registration process.</li> <li>• If the old product is not safe and practical to remove, it is the commission's expectation that consumers are informed that the product will be left in-situ before the consumer agrees to undertake the upgrade.</li> <li>• If the old product is not safe and practical to remove, steps must be taken to render the product permanently unusable in a safe and practical manner. Steps which the commission considers may be safe and practical include: <ul style="list-style-type: none"> <li>– the removal and destruction of the heating element or burner, control board / internal wiring components including 3 pin plug</li> <li>– destruction of the product's casing or other components which renders the product permanently unusable</li> <li>– If a water tank is present, damaging the tank to render permanently unusable, e.g., by drilling a hole in the tank.</li> </ul> </li> </ul>

Table 4: Proposed new decommissioning step-by-step guidance and considerations for activity 6

Stage	Decommissioning guidance
<b>Decommission</b>	<p>Steps involved in disabling the old product.</p> <ul style="list-style-type: none"> <li>• Is product connected to electrical supply? If yes, the product must be disconnected, and appropriate steps taken to make the electrical connection safe.</li> <li>• Is product connected to gas supply? If yes, the product must be disconnected and steps taken to make the gas connection safe (i.e. to seal and/or cap off the gas piping using appropriate materials in accordance with AS/NZS 5601.1).</li> <li>• Does product contain refrigerant? If yes, you will need to take steps to recover refrigerants for safe disposal.</li> </ul> <p>Is the old product safe and practical to remove?</p> <ul style="list-style-type: none"> <li>• If yes, the old product must be removed and recycled or disposed of appropriately. It is the commission's expectation that most products should be removed from the consumer's premises and disposed of by the installer.</li> </ul>

**Stage****Decommissioning guidance**

- Products which the commission understands may not be safe and practical to remove include:
  - products where removal is impractical (e.g. central electric resistance heating systems and slab heating systems)
  - products where removal would result in substantial remediation work to the building environment
  - products where removal would raise health and safety risks which cannot be adequately managed by the installer. Note that where removal of a product involves asbestos, the removal or disposal of asbestos must be performed in accordance with applicable legislation.<sup>5</sup>
- Where a product is not removed from the consumer's premises, accredited persons will be required to provide a justification which satisfies the commission as to why the product was not practical and safe to remove where an activity is subject to a request for information (RFI) as part of the registration process.
- If the old product is not safe and practical to remove, it is the commission's expectation that consumers are informed that the product will be left in-situ before the consumer agrees to undertake the upgrade.
- If the old product is not safe and practical to remove, steps must be taken to render the product permanently unusable in a safe and practical manner. Steps which the commission considers may be safe and practical include:
  - the removal and destruction of the heating element or burner, control board / internal wiring components including 3 pin plug
  - destruction of the product's casing or other components which renders the product permanently unusable
  - removal of ductwork where upgrades involve replacement of gas ducted heaters.
- We recommend installers close and seal air outlets of the old ducting system to increase the energy efficiency of the new proposed system (where the new system's ducting does not use these air outlets)

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<sup>5</sup> See [absestos.vic.gov.au website](http://absestos.vic.gov.au) for detailed information about responsibilities and legal duties of tradespeople and builders when dealing with asbestos.

### 1.3. Current record-keeping requirements relating to decommissioning and disposal

The current record-keeping requirements relating to decommissioning and disposal are set out in tables 12 and 24 of the activity guide. The requirements include information captured in the VEEC assignment forms, certificate of electrical safety and/or Victorian Building Authority (VBA) compliance certificate for water heating and space heating and cooling activities.

For purposes of this review, we are reviewing the requirements relating to accredited persons having to maintain and collect geo-tagged photographs, disposal documentation and disposal record for water heating activities (activities 1 and 3) and space heating and cooling activity (activity 6) activities. The current requirements for these records are set out in table 5 below.

Table 5: Record-keeping requirements for water heating activities (activities 1 and 3) and space heating and cooling activities (activity 6)

Document(s)	Details to be provided
Geo-tagged photographs  (for water heating activities (activities 1 and 3))	<p>Geo-tagged photographs which are date and time stamped showing:</p> <ul style="list-style-type: none"> <li>the existing product before the upgrade</li> <li>the brand, model and serial number of the existing product</li> <li>the date of manufacture of the system showing a date at least 5 years prior to the date of the upgrade<sup>6</sup> (where upgrade is for replacements of electric boosted solar water heater(s) or gas boosted solar water heater(s) with non-functional components)</li> <li>the existing product either disabled or rendered permanently unusable (where the product is not being removed from premises for disposal)</li> <li>the decommissioned product (either disabled or ready to be removed from the consumer's premises)</li> <li>the installed product after installation</li> <li>the brand, model and serial number of the installed product.</li> <li>the tank model number and heat pump model number of installed product (where product installed is a heat pump).</li> </ul> <p>All geo-tagged photographs must:</p> <ul style="list-style-type: none"> <li>be clear and in focus</li> <li>include any relevant markings</li> <li>include the GPS derived latitude and longitude coordinates (this should be stored in the metadata and generated automatically by the device used to take the geo-tagged photos).</li> </ul>

<sup>6</sup> This date is accepted by the commission as the relevant date to evidence the system was installed at least 6 years prior to the date of the upgrade

Document(s)	Details to be provided
Geo-tagged photographs  (for space heating and cooling activity (activity 6))	Geo-tagged photographs which are date and time stamped showing: <ul style="list-style-type: none"> <li>• the existing product before the upgrade providing eligibility (for installations involving decommissioning)</li> <li>• the brand, model and serial number of the existing product (for installations involving decommissioning)</li> <li>• the existing product either disabled or rendered permanently unusable where the product is not being removed from premises for disposal (for installations involving decommissioning)</li> <li>• the decommissioned product either disabled or ready to be removed from the consumer's premises (for installations involving decommissioning)</li> <li>• the installed product after installation</li> <li>• the brand, model and serial number of the installed</li> </ul> All geo-tagged photographs must: <ul style="list-style-type: none"> <li>• be clear and in focus</li> <li>• include any relevant markings</li> <li>• include the GPS derived latitude and longitude coordinates (this should be stored in the metadata and generated automatically by the device used to take the geo-tagged photos).</li> </ul>
Disposal documentation  (for water heating and space heating and cooling activities (activities 1, 3 and 6))	Documentation by accredited person and any third-party installer contractors, recording how the business complies with EPA waste duties, including: <ul style="list-style-type: none"> <li>• the classification of waste codes and waste type for the business' waste streams</li> <li>• details of any contracts or arrangements with contracted transporters or disposal agents</li> <li>• the name and location of the various authorised waste receivers you will be delivering your different waste streams to</li> <li>• appropriate authorisation for the temporary storage of waste if more than 5m<sup>3</sup> of industrial waste (that is not reportable priority waste) is being stored by the business prior to disposal.<sup>7</sup></li> </ul>
Disposal or recycling record/ disposal transportation record  (for water heating and space heating and cooling activities (activities 1, 3 and 6))	For all decommissioned products removed from the premises, records that satisfy either option 1 or 2 below. <u>Option 1:</u>  A waste receipt of invoice from a place authorised by the EPA to receive that particular type(s) of waste recording: <ul style="list-style-type: none"> <li>• name and address of the authorised recipient</li> <li>• ACN and/or ABN of the authorised recipient</li> <li>• the date of delivery</li> <li>• waste description</li> <li>• waste amount (e.g. number of units or kg).</li> </ul> Where the waste receipt or invoice is for decommissioned products from multiple upgrade sites, a document itemising the products removed per upgrade site to demonstrate the link between each upgrade site and the bulk waste receipt or invoice must be kept.

<sup>7</sup> See schedule 1 and regulation 63 of the Environment Protection Regulations 2017.

Document(s)	Details to be provided
	<p>Where the facility is unable to provide a waste receipt or invoice or where a provided waste receipt or invoice does not contain the details set out above, accredited persons may keep alternative records which enable you to demonstrate that the decommissioned product has been disposed of in compliance with the EPA legislation.</p> <p>An example of how you can meet this requirement would be to retain:</p> <ul style="list-style-type: none"> <li>• Geo-tagged photo(s) (taken at or outside the location of the EPA approved facility) of the decommissioned system including the system plate, along with a written record of the: <ul style="list-style-type: none"> <li>– name and address of the authorised recipient</li> <li>– the date of delivery</li> <li>– waste description</li> <li>– waste amount (e.g. number of units or kg)</li> <li>– decommissioned system information (e.g. brand, model, serial number).</li> </ul> </li> </ul> <p><u>Option 2:</u></p> <p>Third party contractor information – if disposed of via a contracted transporter or disposal agent, a document recording:</p> <ul style="list-style-type: none"> <li>• the name, ACN and ABN of the third-party contractor company</li> <li>• the date service was provided</li> <li>• waste description</li> <li>• waste amount (e.g. number of units or kg)</li> <li>• name and address of the lawful place the waste is to be disposed at</li> <li>• ABN of the business operating the lawful place the waste is to be disposed at.</li> </ul> <p>Where the document is for decommissioned products from multiple upgrade sites, a document itemising the products removed per upgrade site to demonstrate the link between each upgrade site and the bulk waste receipt or invoice must also be maintained.</p>



## 1.4. Proposed updated record-keeping requirements relating to decommissioning and disposal

The commission has received feedback from industry that it can be difficult for installers to comply with some of the current disposal record requirements for the following reasons:

- Disposal/recycling is often done in batches (which includes VEU and non-VEU related products) and waste management facilities are not able to provide the required receipts.
- Installers face challenges providing a compliant disposal/recycling record at time of VEEC creation, which might disincentivise installers from participating in the VEU program. In some cases, installers may also decide to leave a decommissioned product in situ rather than removing it.

To address this feedback, the commission amended the disposal record requirements in December 2023 to provide installers with additional flexibility to use other records aside from waste receipts (such as geo-tagged photographs taken at, or outside the waste facility). Since then, we have continued to assess how these products are disposed, and we have engaged with the Environment Protection Authority Victoria (EPA) to better understand how the EPA monitors compliance by businesses with the waste management requirements under the *Environment Protection Act 2017* (EP Act) and its regulations. We understand that the risk of these waste products not being appropriately managed is low given that the materials often have value and can be recycled.

Having considered industry feedback, the EPA's monitoring approach and the potentially low risks of inappropriate disposal of waste products for these activities, we propose the following changes:

- No longer requiring accredited persons to retain or provide *individual* records evidencing that *each* decommissioned product has been disposed in compliance with the EP Act and its regulations of as part of our assessment of an activity for certificate registration.
- Requiring accredited persons to provide a geo-tagged photograph evidencing that the baseline product has been rendered permanently unusable, even where the product is being removed from the consumer's premises for disposal.

We note that accredited persons are still responsible for ensuring that disposal of decommissioned products are undertaken in accordance with all applicable waste management requirements under the EP Act and its regulations. Failure to comply with these waste management requirements may result in compliance and enforcement action by the commission (or other regulators) and may have implications for your accreditation under the VEU program. The commission may seek information from an AP to demonstrate that appropriate systems are in place to ensure compliance with these requirements.

The proposed updated geo-tagged photographs record-keeping requirements for water heating and space heating and cooling activities is detailed in table 6 below. As noted above, the commission

proposes to update tables 12 and 24 of the activity guide to remove disposal documentation record and disposal or recycling record/disposal transportation record as listed in table 5 above.

Table 6: Proposed geo-tagged photographs record-keeping requirements for water heating activities (activities 1 and 3) and space heating and cooling activities (activity 6)

Document(s)	Details to be provided
Geo-tagged photographs  (for water heating activities (activities 1 and 3))	Geo-tagged photographs which are date and time stamped showing: <ul style="list-style-type: none"> <li>• the existing product before the upgrade</li> <li>• the brand, model and serial number of the existing product</li> <li>• the date of manufacture of the existing product showing a date at least 5 years prior to the date of the upgrade<sup>8</sup> (where upgrade is for replacements of electric boosted solar water heater(s) or gas boosted solar water heater(s) with non-functional components)</li> <li>• the gas pipe of the existing product sealed and/or capped using appropriate materials (where the existing product is a gas or lpg water heater),</li> <li>• the existing product rendered permanently unusable</li> <li>• the existing product ready to be removed from the consumer's premises</li> <li>• the installed product after installation</li> <li>• the brand, model and serial number of the installed product.</li> </ul> the tank model number and heat pump model number of installed product  All geo-tagged photographs must: <ul style="list-style-type: none"> <li>• be clear and in focus;</li> <li>• include any relevant markings;</li> <li>• include the GPS derived latitude and longitude coordinates (this should be stored in the metadata and generated automatically by the device used to take the geo-tagged photos).</li> </ul>

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<sup>8</sup> This date is accepted by the commission as the relevant date to evidence the system was installed at least 5 years prior to the date of the upgrade

Document(s)	Details to be provided
Geo-tagged photographs  (for space heating and cooling activity (activity 6))	<p>Geo-tagged photographs which are date and time stamped showing:</p> <ul style="list-style-type: none"> <li>• the existing product before the upgrade providing eligibility (for installations involving decommissioning)</li> <li>• the brand, model and serial number of the existing product (for installations involving decommissioning)</li> <li>• the gas pipe of the existing product sealed and/or capped using appropriate materials (where the existing product is a gas heater)</li> <li>• the existing product rendered permanently unusable (for installations involving decommissioning)</li> <li>• the existing product ready to be removed from the consumer's premises (for installations involving decommissioning)</li> <li>• the installed product after installation</li> <li>• the brand, model and serial number of the installed product</li> </ul> <p>All geo-tagged photographs must:</p> <ul style="list-style-type: none"> <li>• be clear and in focus</li> <li>• include any relevant markings</li> <li>• include the GPS derived latitude and longitude coordinates (this should be stored in the metadata and generated automatically by the device used to take the geo-tagged photos).</li> </ul>

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

## 2. Proposed changes to record-keeping and VEEC assignment/creation form requirements relating to space heating and cooling product sizing and pricing

The pre-installation and installation product sizing requirements (residential premises only) for the space heating and cooling activity (activity 6) is set out in table 6.4 of the VEU Specifications. The requirements are listed below in summary form:

*In addition to the applicable requirements set out under the Code of Conduct (at Schedule 6 of the Regulations), the accredited person or scheme participant carrying out a prescribed Part 6 activity for an energy consumer at a residential premises must, before the energy consumer agrees to undertake that activity:*

- a. *provide the energy consumer with a copy of the current VEU Space Heating and Cooling Consumer Fact Sheet, as published on the department's website; and*
- b. *give clear and accurate information to the energy consumer about the suitability of the product to be installed for the heating and cooling needs of the consumer having regard to the consumer's premises; and*
- c. *advise the energy consumer on whether the size of the product to be installed is consistent with the size recommended in the VEU Space Heating and Cooling Consumer Fact Sheet*

### **2.2. Current VEEC assignment form and VEEC creation form requirements for product sizing**

Accredited persons are currently required to record the following information about product sizing in VEEC assignment forms for the space heating and cooling activity (activity 6):

- Area (m<sup>2</sup>) heated/cooled by baseline product – per product.
- Do the product(s) installed match the recommended size in the [VEU Space Heating and Cooling Consumer Fact Sheet](#)? Yes/No response.
- If 'No', please provide the reason why the recommended size system was not installed.
- Sum of the rated heating capacity (in kW) of all installed indoor units (for multi-split systems only).
- Sum of the rated cooling capacity (in kW) of all installed indoor units (for multi-split systems only).

Accredited persons are currently required to record the following information relating to sizing in the VEEC creation forms for the space heating and cooling activity (activity 6):

- Area (m<sup>2</sup>) heated/cooled by baseline product (per product installed).
- Area (m<sup>2</sup>) heated/cooled by upgrade product (per product installed).
- Does the product installed meet size recommendations? Yes/No response.
- Total cooling capacity (kW) of indoor units installed (for multi-split system).
- Total heating capacity (kW) of indoor units installed (for multi-split system).

### **2.3. Proposed record-keeping requirements and VEEC creation form requirements for product sizing**

The commission has identified that a number of accredited persons are predominantly focusing on upgrades involving:

- the replacement of ducted gas heaters and/or central electric resistance heaters/in slab heaters
- the installation of a small range of reverse cycle air-conditioners
- the installation of predominantly multi-split systems which have a large kW capacity.

These upgrades may result in the installation of inappropriately sized products that do not meet consumers' heating and cooling needs, which may result in higher energy bills. Accredited persons or scheme participants that promote or enable such upgrades may be in the breach of the appropriate sizing requirements for the activity and the program's code of conduct requirement to provide clear and accurate information to the consumer about the performance of the product and suitability of the product for the person or the person's premises<sup>9</sup>

Currently, accredited persons are not required to provide detailed information about the areas being heated or cooled by the installed products, which is particularly relevant when multi-split systems are installed.

To assist the commission to better understand the size of systems installed in consumers' premises, we propose the following changes to our record-keeping requirements:

- Introduce a new record to be kept under table 24 of the activity guide as outlined in the table below.
- Introduce new fields to the VEEC creation form for the activity to collect information on individual room sizes (up to a total of 5 rooms) being heated and cooled by the installed product (for installations of ducted units and multi-split units).

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<sup>9</sup> Clause 14 of the Code of Conduct (Schedule 6 of the VEET Regulations 2018)

Table 7: Proposed new record-keeping requirement for activity 6

Document(s)	Details to be provided
Record of how systems were sized to provide for products which are suitable to meet the heating and cooling needs of the consumer having regard to the consumer's premises	<p>Record which includes information on:</p> <ul style="list-style-type: none"> <li>• Each room and the size of each room which was heated and cooled by the existing product.</li> <li>• Each room and the size of each room which is to be heated and cooled by the installed product, including the heating output required for each room.</li> </ul> <p>The record should include:</p> <ul style="list-style-type: none"> <li>• signatures by the installer and the consumer evidencing agreement by the consumer to having received the sizing record.</li> <li>• whether the recommended size of installed product is consistent with the size recommended in the VEU Space Heating and Cooling Consumer Fact sheet.</li> </ul>

These proposed new requirements would provide the commission with additional information that would assist us to assess the size of systems installed against the recommended sizing guidance in the VEU Space Heating and Cooling Consumer Fact Sheet.

## 2.4. Proposed new VEEC assignment form and VEEC creation form requirements for the pricing of upgrades

We propose to make the following changes to our record-keeping requirements to include pricing information for upgrades undertaken, to protect consumers and inform our risk-based assessment of the activity:

- Introduction of following fields to the activity's VEEC assignment form and VEEC creation form:
  - price of upgrade, including product and install costs (before VEEC incentive applied)
  - amount paid by consumer for the upgrade (after VEEC incentive applied)

### 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?
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?
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?

### 3. Replacement of existing ductwork when replacing ducted gas heaters with ducted reverse cycle air-conditioners

The commission has received queries from stakeholders regarding whether existing ductwork should be replaced when upgrading from a ducted gas heater to ducted reverse cycle air-conditioners (RCACs).

Based on discussions with the department and feedback from industry bodies (including AIRAH), the commission had formed a preliminary position that installers should replace the existing gas heating ductwork and duct fittings as part of the upgrade. This is on the basis that not replacing the ductwork is likely to result in inefficiencies in the performance of the installed ducted RCACs that may result in poor outcomes for the consumer, including the consumer's dissatisfaction with product performance and/or increased energy costs.

We understand installation performance issues are likely to arise from:

- Existing gas ductwork and duct fittings being inappropriately sized (i.e. too small) for the effective performance of ducted RCACs,
- Existing gas ductwork degrading over time, which may result in air leaks and other issues, and/or
- Existing gas ductwork not being appropriately insulated

We have also received complaints from consumers about the efficiency and zoning of their ducted RCAC product where the installer used the pre-existing ductwork. In addition, we have received feedback from stakeholders that some ducted RCAC products might be being marketed as being suitable for connection to existing gas ductwork.

The commission is interested in getting feedback from industry on the following questions to inform our position on this issue:

#### **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?
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?



## 4. Summary of consultation questions

### **Question relating to proposed changes to 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?
2. Do you have suggestions for alternative steps installers should be taking to decommission water heating and/or space heating and cooling products?
3. Do you have feedback on the proposed geo-tagged photograph 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?
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?
5. Do you have feedback on the proposed removal of proposed 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?

### **Questions relating to proposed record-keeping requirements for product sizing and the pricing of upgrades**

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?
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?
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?

### **Questions relating to replacement of existing gas heating ductwork issue**

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

Stakeholders can submit their feedback to the above questions by emailing their submission to [veu@esc.vic.gov.au](mailto:veu@esc.vic.gov.au).

This consultation will close on **3 November 2024**.

## 5. Next steps

We will consider your feedback in finalising our activity guide and forms for the water heating (activities 1 and 3) and space heating and cooling activities (activity 6) under the VEU program.

Key target milestones in finalising our updated activity guide and forms for these activities are listed in the table below.

Table 8: Target timeline for consultation and release of updated activity guide and forms on the commission website

Date	Milestone
17 October 2024	Open stakeholder consultation
3 November 2024	Consultation closes
8 November 2024	Complete review of stakeholder submissions
22 November 2024	Finalise activity guide and forms incorporating stakeholder feedback
By 2 December 2024	Release of our updated activity guide and forms on the commission website