



**GAS  
APPLIANCE  
MANUFACTURERS  
ASSOCIATION OF  
AUSTRALIA INC.**

20 Queens Road, Melbourne 3004,  
PO Box 7622, Melbourne 8004  
Victoria Australia  
Tel: 03 9867 0111 Fax: 03 9867 0199  
atashevsk@agroup.asn.au  
www.gamaa.asn.au  
ABN 76 660 439 676  
REGISTERED No A00 381 33U

26 May, 2005

Mr. Paul Belin  
Assistant Commissioner  
The Energy Efficiency Inquiry  
Productivity Commission  
LB 2 Collins Street East  
Melbourne, Victoria 8003

Dear Mr. Belin:

The Gas Appliance Manufacturers Association of Australia (GAMAA) is a 48 year old trade association representing the gas appliance manufacturers in our Country. We received your draft Report on Energy Efficiency last month and are pleased to have an opportunity to respond to it on behalf of our members.

GAMAA has been working with the Australian Greenhouse Office for several years in drafting their Minimum Energy Performance Standards (MEPS) and appliance labeling scheme. We are proud that we have worked in good faith to help them prepare standards that fulfill their mission of reducing greenhouse gases, but are fair to the Industry. We have also kept in mind that some MEPS proposed will increase appliance costs for consumers without having a compensatory good effect on the environment. We have therefore welcomed the concerns in your draft report that some energy efficiencies may not bring corresponding cost effectiveness. We have several observations concerning your inquiry

### **5 Star Home Rating Programs**

The new 5 star rating requirements for homes in some states create some new efficiency standards that may not be cost effective. The tightening of construction methods to "seal" a home increases the amount of air pollutants and creates problems for appliances that are low cost and efficient, like unflued gas heaters, from being utilized. Other 5 star regulations require a mixture of both gas and solar heating of water, which in some cases is not cost effective.

All the new 5 star rating home programs should be reviewed and the regulations that are not cost effective should be revised or eliminated.

### **Differences in State Appliance Safety & Efficiency Requirements**

The emerging differences in state appliance safety and efficiency requirements from state to state will be leading to costly inefficiencies. State safety regulators have the authority to make the gas safety rules/standards that appliance manufacturers are required to meet in order to sell them in each state. All state regulators have been attending the meetings of an informal group called the Gas Technical Regulators Committee. While the Committee is not sanctioned by or accountable to any authority, they have managed to keep a uniformity in regulations from state to state. During the past year, two state regulators have imposed (or attempted to impose) new regulations about product certification that are different from other states. They are accountable only to the ministers from their states to make such unilateral changes. There is concern that if there are significant differences in state regulations, manufacturers may have to have products certified to difference standards in each state, with all the resulting costs including different product designs. What is needed is for some Federal agency to take over the planning and regulation of gas appliances, similar to that for Australian seaports.

### **Role of Fuel Used for Energy**

The role of the fuel used to produce the form of energy utilized to produce the energy at its end point should be factored into recommendations or regulations concerning gas vs. electricity. Gas is a fuel that goes directly to appliances providing area heating and water heating. That is obviously more efficient than electricity that is derived from burning coal before providing the energy to accomplish the same thing. Electricity also losses power during its transmission phase. This difference in the overall efficiency and cost effectiveness of gas vs. electricity should be factored into the inquiry into energy efficiency.

### **Cost of Generating Energy**

The cost of generating the energy to heat space and water should be factored into the efficiency of gas vs. electricity. One cost that is not considered in making comparisons of the two forms of generating energy is the generation of greenhouse gases emissions and air pollution from burning coal to make electricity. Governments have been subsidizing renewable energy water heaters in recent years. Given the net positive cost of gas, one way of recognizing this would be to subsidize the public utilizing gas space and water heaters. An alternative would be a levy on electricity generators and use the funds to subsidize gas heaters.

### **Educating the Public About All Appliances**

A final suggestion is to better educate the public about the higher efficiency of gas appliances. Along with the environmental impact of the generation of the energy, energy labeling and greenhouse labeling should compare gas appliances to electric appliances. There is currently a labeling scheme for comparing different electric appliances to each other and the one for gas appliances is currently under review. Given the differences in cost effectiveness and efficiency of gas appliances, the labeling schemes should be combined to compare gas and electric appliances to each other.

GAMAA hopes that our comments will assist you in the finalization of the draft Inquiry into Energy Efficiency report. Please contact us if we can be of further assistance.

Sincerely yours,

pp

A handwritten signature in black ink, appearing to read "R. Brutlag". The signature is written in a cursive, somewhat stylized font.

Rodney Brutlag  
Chief Executive

(Signed for and on behalf of)