

Phase out of open flued gas space heaters

Introduction

On 29 December 2020, the Department of Environment, Land, Water and Planning (DELWP) released a Regulatory Impact Statement (RIS) prepared by Deloitte Access Economics on the phase out of open flued gas space heaters (OFGSHs). The public submission period closed on 22 February 2021.

DELWP received 17 submissions to the RIS¹:

- AB Controls
- Access Canberra – ACT Government
- Australian Competition and Consumer Commission (ACCC)
- Australian Institute of Refrigeration, Airconditioning and Heating (AIRAH)
- BSI Group Australia
- Department of Mines, Industry Regulation and Safety (WA)
- Gas Energy Australia
- Gas Appliance Manufacturers Association of Australia (GAMAA)
- Housing Industry Association (HIA)
- Hot Gas & Plumbing
- Master Plumbers and Mechanical Services Association of Australia (MPMSAA)
- Radiant Heating and Cooling Solutions
- Real Estate Institute of Victoria (REIV)
- Rinnai
- Victorian Building Authority (VBA)
- Victorian Public Tenants Association (VPTA)

The submissions responded to the proposed preferred approach to phase out OFGSHs, a fast-tracked Australian Standard through a Gas Technical Regulators Committee (GTRC) Technical Guidance Bulletin. Additionally, a range of other comments and issues were raised, some of which are outside of the scope of the RIS. **Table 1** provides a summary of comments and issues raised in the submissions and DELWP's response.

Preferred approach

Following detailed consideration of all submissions, the preferred approach (Option 2) to phase out OFGSHs through fast-tracked Australian Standards will be implemented.

¹ One confidential submission was received.

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A key milestone of the preferred approach has now been reached. On 19 May 2021 the GTRC published Technical Guidance Bulletin (18) - Open Flued Heaters, requiring conformance with the new safety requirements (that OFGSHs must shut down within 15 minutes under negative pressure conditions) by 1 January 2022.

If the Minister is not satisfied that the preferred approach has been effectively implemented, the Minister and Energy Safe Victoria (ESV) will consider taking appropriate regulatory action, as set out in the RIS in Option 1.

Additional actions

DELWP is also undertaking projects to address other issues relating to gas heater safety that were raised by stakeholders but out of scope of this RIS, including considering mandating a servicing standard for Type A gas appliances

Comments/issues raised by stakeholders

Table 1. Summary of comments/issues raised in submissions to the RIS and responses.

Comment/issue number	Comment/issue raised by stakeholders	DELWP response
Preferred option 'fast-tracked Australian Standards'		
<i>1. Enhanced safety performance of OFGSH</i>		
1.1 Shutting down under negative pressure	<p>There was stakeholder support for Standards Australia processes, which would require OFGSHs to shut down within 15 minutes in a negative pressure environment.</p> <p>This Standards-based approach provides a 'pass' result only for appliances that shut down and lock out under adverse negative pressure conditions.</p>	DELWP is supportive of this safety requirement.
1.2 Performance-based test	<p>A manufacturer supported Option 2, as it is performance-based and not prescriptive. The option allows manufacturers the freedom to develop safe solutions to address negative pressure in a room where an OFGSH is installed.</p>	DELWP is supportive of the performance-based test.
1.3 Negative pressure effect within the appliance causing combustion products to spill into a room	<p>One stakeholder noted the impaired ability or failure of the flue system to perform satisfactorily may create a negative pressure effect within the appliance, causing the spillage of combustion products into the room where the OFGSH is installed.</p> <p>For a fan assisted appliance, such negative pressure within the appliance may be caused by fan failure or impaired operation of the fan.</p>	DELWP has received confirmation from ESV that the test method developed for Australian Standard AS/NZS 5263.1.3 provides a reliable and repeatable methodology to determine OFGSH appliance behaviour when combustion products spill into the room where the OFGSH is installed. The negative pressure test room simulates the appliance behaviour under all spillage conditions resulting from flue system behaviour.
<i>2. Australian Standards provide a national approach</i>		
2.1 Option 2 will result in a nationally consistent approach	<p>There was consensus among stakeholders of the importance of a nationally consistent approach.</p>	DELWP is supportive of a nationally consistent approach.

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	<p>There was support for improvements to the safety performance of OFGSHs to be made uniformly across all states and territories through Standards Australia processes.</p> <p>Industry raised the issue of non-compliant products entering Victoria from other states and territories. While there has been some success at identifying and removing non-compliant products from the market, this would be difficult if jurisdictions were out of lockstep and a variety of state-based solutions were adopted.</p> <p>Industry noted that the current Australian Standards are vague at best and incomplete at worst in relation to OFGSHs and a Standards-based approach is necessary to address the issue of the risks associated with OFGSHs.</p>	
<i>3. Standards Australia Technical Committee AG-001</i>		
3.1 A draft has been developed	Industry was supportive of the Australian Standard amendment process. It was noted that proposed amendments had been drafted.	A key milestone of the preferred approach has been reached. On 19 May 2021 the GTRC Technical Guidance Bulletin was published, requiring conformance with the new safety requirements (that OFGSHs must shut down within 15 minutes under negative pressure conditions) by 1 January 2022.
3.2 AG-001-002 supports the draft	GAMAA was the proponent of the proposal for amendment of the applicable Standards. Stakeholder support was sought from 5 February 2021. Standards Australia has since advised that stakeholders support the proposal. The project was approved on the 18 March 2021, after which the AG-001-002 Gas Appliances Committee will commence work as a matter of urgency and finalise it before 1 January 2022.	<p>The AG-001 sub-committee approved the amendments to the Australian Standards AS/NZS 6263.1.3 and AS/NZS 5263.1.8 on 13 April 2021.</p> <p>On 19 May 2021 National GTRC Technical Guidance Bulletins were published requiring conformance with stringent new safety requirements for OFGSHs by 1 January 2022.</p>
<i>4. Combination of Option 1 and Option 2</i>		
4.1 Consider implementing both options	One stakeholder suggested implementing both options in the RIS. This would ensure restrictions on future installation of OFGSHs come into effect by June 2021, therefore addressing the safety issue in Victoria. A combination approach would also support a nationally consistent approach to phasing out OFGSHs Australia wide.	<p>DELWP understands there are strengths in both options, however stakeholders have raised concerns regarding industry transition and consumer confidence in gas should Option 1 be implemented.</p> <p>DELWP will be proceeding with Option 2, as it has strong stakeholder support and meets the objectives of the RIS.</p>

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<i>5. Type 2 Decorative Effect Gas Appliances</i>		
5.1 Should be tested in the same way as OFGSHs	One stakeholder suggested that Open Flued Decorative Effect Gas Appliances (Type 2) must be tested for operation the same way as OFGSHs.	Type 2 Decorative Effect Appliances that meet the applicable thermal efficiency requirements of AS/NZS5263.1.3 will be tested for operation in the same way as OFGSHs.
5.2 Should be labelled	<p>There was a recommendation for the packaging and the appliance to be marked to indicate that permanent ventilation must be installed for Open Flued Decorative Effect Appliances. Currently, there is no such marking requirement for an Open Flued Decorative Effect Appliance.</p> <p>There were concerns that homeowners are unaware of the need for permanent ventilation for Open Flued Decorative Effect Appliances and that gasfitters may not to install the permanent ventilation. The lack of permanent ventilation may result in reverse flow in the flue when there is a negative pressure in the room.</p>	To ensure that both consumer and gasfitters are aware of the need for permanent ventilation for Open Flued Decorative Effect Appliances labelling requirements are included in an amendment to the Decorative Effect Appliance standard AS/NZS5263.1.8 and the Technical Guidance Bulletin (19) – Open Flued Decorative appliances published on 19 May 2021. In addition, the installation instructions will make it clear permanent ventilation is required.
5.3 Expanding the phase out to include Decorative heaters	There was a recommendation that DELWP consider expanding the scope of the phase out to include decorative flame appliances which present similar risks.	<p>Type 1 and Type 2 decorative effect appliances are inefficient, resulting in hotter flue gases discharging from flues/chimneys and a greater buoyancy effect in the flue to negative pressure that is generated. They are also required to be installed with permanent ventilation equivalent to the cross-sectional area of a flue cowl or 40,000 mm² where a flue cowl is not fitted. These factors make it less likely that Open Flued Decorative Effect Appliances would be affected by negative pressure to the same extent as Open Flued Space Heaters. The standards-based approach includes new marking requirements for decorative effect appliances and their packaging and include instructions highlighting the need for permanent ventilation.</p> <p>Type 1 decorative effect appliances also include an Oxygen Depletion Sensor which is designed to shut down the appliance before the oxygen level drops to 15% and CO concentration reaches 200ppm.</p>
<i>6. Carbon monoxide levels</i>		
6.1 Test level of 150ppm is too high	One stakeholder noted that CO builds up in the system over time. The build-up of several hours of exposure should be considered further. It was suggested to adopt the exposure limits currently in force for car parks in AS 1668.2. A maximum	The reference to 60ppm CO from AS1668.2 is in the context of ventilation rates for a non-staffed car park. In AS1668.2 Appendix H, Table H1, the National Occupational Health and Safety Commission (NOHSC) has provided guidance on short-term excursions above the exposure limit with the intention to maintain Carboxyhemoglobin (COHb) levels below 5%.

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	short exposure of 60ppm for 8 hours weighted time of 30ppm.	Table H1 indicates that a CO concentration of 200ppm for 15 minutes is appropriate to ensure that COHb levels do not exceed 5%. The 5% COHb level is equivalent to an 8 hour time weighted average exposure limit of 30ppm. A CO exposure of 150ppm over 15 minutes would result in an 8 hour time weighted average of 4.7ppm (i.e. 150ppm x 15minutes /480minutes) and is therefore deemed appropriate. DELWP understands that the AG001-002 Sub-Committee has since reduced the CO limit further, to 90ppm over 15 minutes, in keeping with the requirements for acceptable indoor air quality prescribed in volume 2 of the National Construction Code.
Industry impacts		
<i>7. Industry transition</i>		
7.1 Ensuring industry has time to transition to new requirements	<p>Industry raised the importance of ensuring sufficient time to prepare to transition to new requirements.</p> <p>This is important in order to produce other heaters, limit revenue reductions and potential job losses.</p>	Option 2's implementation gives industry more time to prepare for the changes and transition production towards other heaters, limiting revenue reductions and potential job loss. Sales of OFGSHs are declining and forecast to approach zero in 2027, reflecting a shift in consumer trends and manufacturing that is already underway.
<i>8. Impacts on small businesses</i>		
8.1 Small business impacts	There was feedback from a gasfitter on the potential impacts for small businesses that rely on income from servicing, maintaining, and supplying parts for OFGSH heaters.	<p>Existing OFGSHs were out of scope of the RIS.</p> <p>DELWP notes the continued importance of regular servicing and maintenance of OFGSHs. The RIS does not propose the removal of existing OFGSH's. DELWP continues to recommend all gas heaters are serviced every two years.</p> <p>Sales of OFGSHs are declining and forecast to approach zero in 2027, reflecting a shift in consumer trends and manufacturing that is already underway.</p>
<i>9. Existing stock</i>		
9.1 Expiry date	There were concerns the ability for manufacturers to continue to sell "prohibited OFGSHs" after the commencement date will continue to place risks associated with these systems onto consumers. This is counteractive to the objectives of the RIS. It was recommended an expiry date, no more than six months after commencement of the new requirements, be set for when existing stock may be offered for sale. Without an expiry date, it is possible for manufacturers/	Following the release of the GTRC Technical Guidance Bulletin ESV has commenced monitoring the sales of OFGSHs. ESV has agreed request remaining stock figures from OFGSH manufacturers still actively selling stock after 1 January 2022. ESV will consider introducing a timeframe for the sale of these appliances if the quantities of remaining stock are found to be excessive.

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	suppliers to stock up on these OFGSHs prior to the phase out and legally offer them for sale long past the commencement date.	If sales of OFGSH are found to be above those projected by manufacturers during the development of the RIS, DELWP will immediately implement Option 1.
Consumer confidence in gas		
<i>10. Maintaining consumer confidence in gas</i>		
10.1 OFGSHs provide heat for many Victorians	A stakeholder noted OFGSHs provide heat for many Victorians, and when serviced correctly they are safe and reliable.	Gas remains an important source of heating for many Victorians, however the impact of negative pressure from the operation of bathroom exhaust fans and kitchen rangehoods on OFGSHs cannot be discounted.
10.2 A ban on OFGSHs would likely lead to undeserved negative publicity affecting gas heaters and gas appliances more generally	There were some concerns that a ban on OFGSHs would lead to undeserved negative publicity and cause significant damage to the gas industry.	DELWP notes the concerns from Industry that a restriction could lead to negative publicity. DELWP considers that a Standards-based approach will have the smallest impact on industry and any potential consequences to consumer confidence in gas products whilst reducing the risk of harm to the health and safety of the community.
10.3 Reducing the impact on the broader gas market	Industry raised the importance of maintaining consumer confidence in the use of gas for residential appliances. This is particularly important for regional and remote areas, where a loss of consumer confidence in the use of gas can result in an increased electrical load in grid areas due to a lack of an alternative fuel options. Industry expects Option 2 will have a lesser impact on the broader gas market and will better maintain consumer confidence in gas.	Option 2 is identified as the preferred approach due its lower expected costs and potentially lower impact on the broader gas market (i.e. impact on consumer perceptions of gas as an energy source) and therefore better maintains consumer confidence in gas.
10.4 Consumer confidence in the use of natural gas	Industry considers access to natural gas as an important resource for Victorians. Victorians are, by capita, the highest consumers of these products nationally. Industry is concerned about any negative impact on consumer confidence and believes any changes communicated to the public should be developed in partnership with industry stakeholders.	DELWP supports the objective of maintaining consumer confidence in the use of natural gas. Implementation of the changes will be supported by communications with the public and industry.
10.5 One type of technology should not be protected or promoted over others	An Industry Body commented that one type of technology should not be protected or promoted over others. Rather the overall effectiveness of each solution and its impact on the environment should be evaluated.	The RIS focuses on OFGSHs specifically because they carry the greatest risk in a negative pressure environment by virtue of their design and usage patterns.
Draft regulations		
<i>11. Draft Gas Safety (Gas Installation) Regulations 2020</i>		

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11.1 “Like for like” replacements	Government noted Option 1 aims to prevent the installation of new and “like for like” replacements of OFGSHs. However, the draft regulations do not appropriately provide for the “like for like” scenario. Government recommends that if Option 1 is to be implemented, the draft Regulations be amended to clearly prohibit the installation of “like for like” replacements.	The draft regulations, and in particular section 25A, make it clear that a person must not install an open flued gas space heater irrespective of whether the installation is a “like for like” replacement. Regulation 25A(4) allows for servicing, repairing, and testing of an existing OFGSH so the new regulations apply only to new (including “like for like”) installations. Should regulations be required in future, this will be included in the amended regulations.
<i>12. Fan-assisted OFGSH exemption</i>		
12.1 Providing an exemption for fan-assisted OFGSHs in potential regulations (Option 1), demonstrates that Option 2 is the better approach	A manufacturer did not support an exemption for fan assisted OFGSHs in regulations (Option 1). If compliance with the negative pressure requirements and test methods developed by the Standards Australia working group, is used as the basis for granting an exemption, this further supports the case to adopt RIS Option 2 – Fast-tracked standards-based approach.	The granting of an exemption for fan assisted OFGSHs that meet the criteria in section 2.2.3.2 of the RIS is consistent with what is envisaged would be achieved through Option 2, the Standards-based approach. This is to be expected as both are options to achieve the same purpose. DELWP has received confirmation from ESV that the Option 2 methodology can demonstrate that fan-assisted OFGSH’s will shut down safely
12.2 Under the new safety requirements, fan-assisted OFGSHs will be tested in the same way as all other OFGSHs	For fan assisted appliances, negative pressure within the appliance may be caused by fan failure or impaired operation of the fan.	DELWP understands that under the new safety requirements, fan-assisted OFGSHs will be tested in the same way as all other OFGSHs. The test method developed for Australian Standard AS/NZS 5263.1.3 provides a reliable and repeatable methodology to determine OFGSH appliance behaviour when combustion products spill into the room in which the OFGSH is installed DELWP considers this to be a good safety outcome.
12.3 Under Option 1 who would enforce compliance with the fan-assisted exemption	A stakeholder recommended clarification around who should make the determination from a compliance perspective (under an installation ban approach) about whether a particular OFGSH has the attributes to be exempt from the ban. For example, is it expected that the gasfitter will assess whether each fan assisted OFGSH they are installing has the relevant attributes for the purposes of determining whether the ban applies or not? If so, how will gasfitters verify these attributes before installation? How will the gasfitter test for operation of the fail-safe interlock under negative pressure conditions in a test room?	Should the regulations be implemented in the future, DELWP will engage with the VBA and ESV to determine the best approach to implementation and compliance.
<i>13. Blocked flue requirements in draft regulations</i>		

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13.1. No spillage of combustion products under blocked flue conditions	An Industry stakeholder noted that if the flue is blocked, a fan assisted OFGSH shut down with a non-volatile lockout requires a service call to reset the appliance. There was concern that this was unjustified if no spillage of combustion products into the room under blocked flue conditions had occurred.	DELWP is satisfied there is sufficient evidence that demonstrates a blocked flue increases the risk of combustion products entering the room.
Compliance		
<i>14. Gas certification scheme</i>		
14.1 Surveillance audit/test to ensure continual compliance of OFGSH	<p>The current gas certification scheme involves a visual inspection by Conformity Assessment Bodies (CABs) on the certified product to ensure ongoing compliance. This is insufficient for high risk products such as OFGSH as it is hard to ensure the production appliances remain compliant several years after first testing. There was a suggestion from a certification body to adopt approaches used by gas appliance certification schemes in EU and UK which include:</p> <ul style="list-style-type: none"> • Continual sample test in an accredited laboratory to check safety critical performance. • Continual factory audit to ensure appropriate quality management measures (e.g. control of external providers) and production test plans are in place to ensure ongoing compliance of production. 	DELWP understands the regulatory authorities are introducing periodic safety critical testing of gas equipment considered to be high risk to complement the visual inspections that are currently conducted to maintain certifications.
<i>15. Compliance</i>		
15.1 if Option 1 is implemented due to Option 2 not being feasible or delayed, it is recommended that the Scenario 2 approach be adopted as it is the more comprehensive approach to the phase out of OFGSHs as it targets both the sale and installation of these systems. This approach also means that the compliance burden is shared between ESV and the VBA.	<p>There was concerns raised by government stakeholders that if the phase out of OFGSHs was to be achieved only via the "ban on installation" pathway, the VBA would be solely responsible for compliance, resulting in a larger compliance burden for the VBA (noting that VBA is responsible for enforcing compliance with standard gas installations).</p> <p>To aid companies finding a suitable method of compliance, the regulations should provide for more than one way to comply and minimum specifications for devices used for compliance.</p> <p>It was recommended the Standards Australia AG001 gas appliance committee be consulted regarding the wording for the GTRC Technical Bulletin, noting both ESV and GAMAA have representatives on the</p>	If regulations are made in the future, Scenario 2 would be the adopted approach.

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	AG001 committee. This will ensure consistency between the GTRC Bulletin and amendments to Standards and enable manufacturers to develop safe product solutions which address the known field condition of negative room pressure in the best possible way.	
15.2 Additional compliance costs	A stakeholder sought clarification about additional compliance costs under the options compared to the base case. There was concern that additional compliance costs for enforcing new requirements are incremental costs and not considered in the RIS.	Deloitte Access Economics completed the modelling. Government stakeholders were engaged in the development of the RIS. There are no additional compliance costs associated with the preferred approach.
15.3 Compliance controls	<p>Industry stakeholders advocated for greater compliance controls regarding the servicing of all Type A gas appliances. This will contribute to safe and efficient outcomes by ensuring unsafe or non-compliant installations are identified and rectified where possible.</p> <p>Mandating servicing is a good outcome but the system of ensuring compliance sits with property managers/owners and therefore lacks the controls that might be gained through regular auditing of these records by either the Department of Consumer Affairs or the plumbing regulator, i.e. VBA.</p>	DELWP is currently considering options to mandate a servicing standard for gas appliances in Victoria. This will include consideration of compliance and enforcement functions to support the regulation of any adopted standard.
Transitional measures		
<i>16. Carbon monoxide (CO) alarms</i>		
16.1 No Australian Standard for CO alarms	An Industry stakeholder did not support the mandatory installation of CO alarms due to the absence of an Australian Standard for the production, sale, and installation of CO alarms in Australia.	DELWP does not currently recommend mandating CO alarms.
16.2 False sense of security	Industry suggested mandating the installation of CO alarms could provide a false level of consumer confidence in a product that can be affected greatly by where it is positioned, the accuracy of the individual product and the lack of any regular servicing/ testing requirements.	<p>A false sense of security for consumers is of concern.</p> <p>DELWP does not currently recommend mandating CO alarms.</p>
16.3 Mandate with professional installation required	A Consumer Group recommended the inclusion of mandatory carbon monoxide alarm installations as a transitional measure. Further, it recommended the placement and installation of alarms only be compliant with regulations if professionally fitted.	<p>There would be a significant cost associated with requiring a professional (e.g. electrician or gasfitter) to install a CO alarm.</p> <p>DELWP does not currently recommend mandating CO alarms.</p>

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Data		
<i>17. Available data on OFGSHs and CO alarms</i>		
17.1 Lack of data	<p>An Industry Body was concerned about the infrequency of verifiable incidents and the lack of overall data related to OFGSHs in Victoria. The Industry Body is of the view that a regulatory approach is unjustifiable, and a Standards-based approach is a preferred solution.</p> <p>Substantial concern held by a stakeholder in relation to the revelations disclosed in the RIS as to the substantial variances in CO alarm standards, installation, maintenance, and use. These variances are accompanied by a broad lack of public awareness of these variances and the potential for tragic outcomes. It is of concern that these products are on the shelf and readily available for unsuspecting customers who may consider the purchase and DIY installation of these alarms offers some protection to their health and/or life from the odourless and invisible threat.</p>	DELWP agrees that robust data is important and notes the concerns raised regarding the efficacy and reliability of CO alarms.
<i>18. Modelling/statistics used in analysis</i>		
18.1 Modelling/statistics	Concern raised about the assumptions and conclusions drawn in Table 4-4 in the RIS.	<p>Deloitte Access Economics completed the modelling.</p> <p>Given the level of uncertainty around data collected for the RIS, the general approach to estimating the costs and benefits in the RIS is to report conservative estimates. Where a range of plausible values were available, the average value has been selected as a representative of the sample. The limited availability and nature of relevant data means some of the identified costs and benefits are difficult to quantify. Where possible, an attempt has been made to quantify the costs and benefits expected to be realised between 2020-21 and 2029-30 (the modelling period) for each option.</p>
Public awareness campaign		
<i>19. Public awareness campaign</i>		
19.1 Continue the ESV 'Be Sure' awareness campaign	Industry was supportive of the 'Be Sure' public awareness campaign about the risks of Carbon Monoxide poisoning and the importance of regular servicing. The	ESV will be running the 'Be Sure' campaign again over winter 2021. ESV's website Heating your home safely with gas ² provides details on

² <https://esv.vic.gov.au/safety-education/gas-safety-at-home/heating-your-home-with-gas/%23finding-a-licensed-electrician>

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	messaging could be further enhanced to inform consumers more effectively about how to identify an individual with a Type A Gas Servicing endorsement.	what to look for when finding a Type A Servicing Gasfitter.
Existing OFGSHs in use		
<i>20. Existing OFGSHs in use</i>		
20.1 OFGSHs that have already been installed in Victoria	A stakeholder was of the view that neither Option 1 nor Option 2 affect OFGSHs already installed in Victoria.	<p>Existing OFGSHs were out of scope of the RIS. The Government has implemented initiatives to improve safety for consumers using these heaters, including:</p> <ul style="list-style-type: none"> • Delivering \$1.7 million towards the Be Sure campaign to encourage Victorians to have their gas heaters serviced by a qualified gasfitter at least once every two years. • The Department of Families, Fairness and Housing has decommissioned or replaced all Vulcan/Pyrox 'Heritage' gas heaters in public housing, inspected over 76,000 gas heaters and installed over 53,000 carbon monoxide alarms. • ESV has ensured all OFGSHs on the market have been tested for heightened risks and issued safety alerts for six models of OFGSHs. • ESV and the VBA have worked together to strengthen gasfitter skills and knowledge, mandating a training module for gas plumbers and fitters, holding free weekly seminars over winter, improving the materials available on testing for carbon monoxide spillage, and providing advice on working during coronavirus.
20.2 OFGSHs that are installed properly and serviced regularly are safe to use	An Industry stakeholder contended that an OFGSH that is installed in a compliant manner and serviced regularly is a safe option for the consumer.	The 'Be Sure' campaign will continue to run to increase awareness of the importance of gas heater servicing.
20.3 Replacing OFGSH with electric appliances will place additional pressure on the electrical grid.	The recent government initiative to remove "inefficient" gas space heaters may remove OFGSH from operation but replacing these with inefficient and inadequate split system air conditioning will place further pressure on the electrical grid and is not a viable or sustainable long-term response.	The Victorian Government's plan to invest \$335.5 million over four years to provide efficient, lower cost heating and cooling for 250,000 low income and vulnerable households will improve the comfort of homes and deliver ongoing health and wellbeing benefits. In addition to saving on their heating costs, households will benefit from efficient cooling to deal with summer heat stress. The Victorian Government expects that approximately 65% of the heaters that will be upgraded will be gas appliances.

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Gasfitter competence and servicing of OFGSHs		
<i>21. Servicing of OFGSHs</i>		
21.1 No mandated standard	<p>The industry acknowledges regular servicing of gas appliances is important for on-going efficient and safe operation. Gas appliances do degrade over time, they attract lint and dust which affect burners and some safety systems such as thermocouple flame failure devices. It is important that only skilled and experienced individuals do this work which is acknowledged as high risk and as such requires an endorsement on an existing gas fitting licence. Yet there is little or no line of sight over who carries out this work, no standard in Victoria for how it is done and no auditing regime from the VBA to ascertain whether the work is compliant.</p> <p>The AS4575 Servicing of Type A Gas Appliances standard should be called up in Victoria so that there is a recognised standard that gasfitters must adhere to. Without this standard the VBA cannot have a compliance regime that holds the individual accountable for what they have or have not done.</p>	<p>DELWP is currently considering options to mandate Gas Appliance Servicing standards within the Gas Safety (Gas Installation) Regulations 2018. This will also consider the mechanisms for ensuring compliance with the standard.</p> <p>In addition, a gas safety checklist has been developed by ESV to support the recently introduced Residential Tenancies Regulations. The regulations which are administered by the Department of Justice and Community Safety require a gas safety check to be conducted on rental properties every two years.</p>
21.2 Poor servicing quality	<p>A Certification Body raised concerns about long term issues related to poor servicing. There has been at least one fatality in the RIS which was related to poor servicing (build-up of lint). While the RIS discusses the “infrequent servicing and maintenance” in Chapter 2.3.2, there are concerns that the fast-tracked approach may not address the poor servicing issue.</p>	<p>DELWP is currently considering options to mandate Gas Appliance Servicing standards within the Gas Safety (Gas Installation) Regulations 2018. This will also consider the mechanisms for ensuring compliance with the standard.</p>
21.3 Stronger compliance controls needed	<p>Industry has advocated strongly for greater compliance controls in regard to the servicing of all Type A gas appliances. Industry is of the view that it is important to have suitably trained and appropriately licensed individuals regularly servicing all gas appliances. This will contribute to safe and efficient outcomes, by ensuring that any unsafe or non-compliant installations can be identified and rectified where possible.</p>	<p>DELWP is currently considering options to mandate Gas Appliance Servicing standards within the Gas Safety (Gas Installation) Regulations 2018. This will also consider the mechanisms for ensuring compliance with the standard.</p>
<i>22. Gasfitter competence/training</i>		

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22.1 No Continual Professional Development (CPD)	An Industry stakeholder was of the view that the annual Victorian Building Authority (VBA) and ESV co-branded seminars and webinars on carbon monoxide safety is not a mandated continuing professional development activity. There was concern that the program does not engage with the approximately 19,000 licenced and registered gasfitters in Victoria.	<p>The 2018 Coronial Inquest recommended DELWP conduct a RIS to consider the implementation of a system of mandatory CPD training for Type A Gas Appliance plumbers and fitters as a condition of renewing their licence or registration. The Victorian Government response committed to an assessment of options to introduce a CPD scheme for all plumbers and gasfitters.</p> <p>This process is underway and DELWP is developing a CPD framework for registered and licensed plumbers (including gasfitters) to ensure practitioners maintain and develop their knowledge and skills throughout their careers. Training in CO safety is being considered as a mandatory course for all gasfitters due to the seriousness of potential consequences associated with the use of out-dated equipment or techniques. The RIS for this CPD framework is expected to be released for consultation in mid-2021 with regulations to be made by the end of 2021.</p> <p>The Victorian Government recognises the need for the CPD of practitioners and is considering options for mandating CPD requirements with industry and the VBA. DELWP understands webinars have attracted better attendances than seminars.</p>
22.2 Competency of gasfitters	An Industry stakeholder raised concerns that the mandatory carbon monoxide online training module does not address the competency of the individual to carry out Type A Gas Appliance Servicing. Since the adoption of the 2008 Plumbing Regulations, which adopted additional skill requirements for individuals who wished to carry out appliance servicing over and above the main class of gasfitting, there have been no requirements for any of the existing gasfitters automatically “grandfathered” into the specialised class to attend training or provide evidence of experience in this work. This has resulted in thousands of gasfitters who do not have the advanced skills required to diagnose faults in gas appliances and the ability to continue to do this work.	The Victorian Government recognises the need for the CPD of practitioners and is considering this further in its discussions with the VBA. It is DELWPs understanding that webinars have attracted better attendances than seminars.
Residential Tenancies Regulations		
23. Residential Tenancies Regulations		

Statement of Reasons

Comment/issue number	Comment/issue raised by stakeholders	DELWP response
23.1 Gas Safety Checks	A stakeholder noted the imminent introduction of 'gas safety checks' for all Victorian residential tenancies from 29 March 2021 under the provisions of the <i>Residential Tenancies Act 1997</i> and the Residential Tenancies Regulations 2021. It is their view that this extensive testing regime more than satisfies the protection for renters in Victoria and that residential rental providers should not be burdened with additional regulation. The manner in which the extent of the gas safety check was introduced did not allow for proper assessment under the relevant RIS.	The Residential Tenancies Regulations is out of scope of this process. DELWP is supportive of regular gas safety checks.
23.2 Onus on property managers/owners to ensure compliance	Industry is of the view that mandating servicing is a good outcome but the system of ensuring compliance sits with property managers/owners and therefore lacks the controls that might be gained through regular auditing of these records by either the Department of Consumer Affairs or the plumbing regulator, i.e. VBA	The Residential Tenancies Regulations is out of scope of this process. DELWP is supportive of regular gas safety checks.
Other fuel types		
<i>24. Considerations of other fuel types</i>		
24.1 Reverse Cycle Air Conditioning is not the only alternative to gas heaters	<p>A stakeholder was of the view that Reverse Cycle Air Conditioning is not the only alternative to gas heaters. Reverse Cycle Air Conditioners have degraded performance under certain temperature conditions and increased power use that results during the highest tariff periods of the day.</p> <p>There are new, smart solar electric thermal storage heaters that have the capacity to replace gas heaters.</p> <p>There are a number of options that have not been considered that would have an effect on not only OFGSHs but on the safe operation of other gas appliances such as decorative gas log fires, internally installed gas open flued water heaters, open flued gas ducted heaters and other room sealed appliances.</p>	<p>The modelling in the RIS assumed 50 per cent of consumers would purchase a reverse cycle air conditioner and 50 per cent would purchase a room-sealed gas space heater.</p> <p>There was no data available to include additional heating types.</p>