Australian Government
Department of the Environment, Water, Heritage and the Arts

Phase out of greenhouse intensive hot water systems

What is the problem?

Household greenhouse gas emissions

A residential electric hot water system produces around four tonnes of greenhouse gases each year. That's 2.5 times more greenhouse gases than other more efficient technologies and the equivalent of running an average sized car for a year.

What is being done?

Switching to low emission hot water systems

To help the 50 per cent of Australian households that have an electric hot water system to reduce their electricity bills and Australia's greenhouse emissions, the Australian Government has committed to:

- Working with State and Territory Governments to phase-out greenhouse intensive hot water systems commencing in 2010, and
- Offering a rebate of up to $1,600 for eligible households to install solar hot water or heat pump systems.

What support is available to help me make the switch?

Visit www.environment.gov.au/rebates/ to find out about the $1600 rebate for solar hot water heaters. Further rebates may be available from your state, territory and local government.

How will the phase out work?

During 2010, electric hot water systems will no longer be able to be installed in:

- any new detached, terraced and town houses; and
- any existing detached, terraced and town houses that have access to piped gas, except where an exemption applies.

During 2012, electric hot water systems will no longer be able to be installed in:

- any existing detached, terraced and town houses; and
- any new flats and apartments with access to piped gas, except where an exemption applies.

Who will the program apply to?

The phase out will apply in all States and Territories except where the emissions intensity of the public electricity supply is low (Tasmania).

Who will be exempt from this program?

Exemptions to the program are still under investigation. These decisions will be based on identifying situations where appropriate alternative technologies are not yet available or where there are significant additional costs.

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What alternatives are available?

Builders of new houses and households replacing an existing hot water system will be able to choose from a range of low emission alternatives to suit their home, climate and budget including:

- Heat pump
- Gas
- Solar (electric or gas boosted)

If I have access to piped natural gas, am I limited to installing a gas hot water system?

No. You are free to choose the low emission alternative that best suits your home, your climate and your budget.

Will I have to replace my currently working electric hot water system when the program commences?

No. There will be no requirement to replace a working electric hot water system. You will only have to purchase a low emission hot water system when your current one needs to be replaced.

Will I save money on my energy bills?

Yes, depending on the technology you install. A low emission hot water system, could save a family up to $700 on electricity bills each year. The more efficient the system, the greater the savings.

Are there big greenhouse gas savings to be made?

Yes. Hot water systems account for around 23 per cent of greenhouse gas emissions from the average home. By phasing out the most inefficient systems, this program will save over 30 million tonnes of greenhouse gas emissions over ten years. This is the equivalent of taking more than 750,000 cars off the road every year for ten years.

When will more information be available?

Detailed design of the program is currently underway and more information will be available throughout 2009.

How can I find out more?

Updates will be posted online at:
www.environment.gov.au/settlements/energyefficiency/index.html

For more suggestions on lowering your energy bills visit:
www.yourhome.gov.au

Search and compare appliances at:
www.energyrating.gov.au