



Energy Retailers Association
of Australia Limited

19 August 2011

Manager, MCE Secretariat
Department of Resources, Energy and Tourism
GPO Box 1564
Canberra ACT 2601

By email: MCEMarketReform@ret.gov.au

RE: GAS APPLIANCES (CARBON MONOXIDE) SAFETY STRATEGY

The Energy Retailers Association of Australia (ERAA) welcomes the opportunity to provide comment on the Gas Technical Regulators Committee's (the Committee) Gas Appliance (Carbon Monoxide) Safety Strategy. The members of the ERAA consider safety issues in relation to gas usage to be paramount and the ERAA is therefore in support of a Gas Appliance Safety Strategy.

The ERAA is the peak body representing the core of Australia's energy retail organisations. Membership is comprised of businesses operating predominantly in the electricity and gas markets in every State and Territory throughout Australia. These businesses are the first point of contact for end use customers of both electricity and gas.

In reviewing the current codes and standards, impractical and expensive solutions must be avoided. For example, CO detectors may be useful as a risk mitigation option, but their sheer cost and ineffectiveness makes them an impractical option. Any recommendations must be mindful that they come at a cost which must be passed on to end customers through higher energy prices or via increased direct costs for installation. Furthermore, encouraging gas uptake is an important strategy in reducing greenhouse gas emissions, which ultimately is a key policy initiative of the current Federal Government.

If bill inserts are to be recommended, retailers need to be consulted prior to any timeframes being determined in order to provide retailers the necessary lead times. In a competitive market, bill insert space is generally given over to product promotion, and taking this away from retailers removes an important means of communicating with their customers. Alternative options to bill inserts exist and may be a better option overall. For example, in Victoria, Energy Safe Victoria (ESV) ran an awareness-raising campaign prior to the beginning of winter advising of the importance of appliance servicing. Energy retailers have vast experience with bill inserts and know what works and what does not, and I encourage you to draw on the knowledge of my membership and to investigate alternative possibilities before making any recommendations. Equally, it should be recognised that as well as retailers' own products, both bill inserts and bill messages are used to meet regulatory obligations, so the schedules for bill inserts and messages are determined a long way in advance. If the MCE believes either of these channels should be used to communicate to customers about the dangers of Carbon Monoxide, the MCE must provide some flexibility around when retailers are required to fulfil such an obligation.

Another potential opportunity not identified in the report is an awareness and education campaign focussed on the plumbing and gas fitting industry. The merit of this is the preventative identification of problems which could be delivered to an easily identified target audience.

In regards to the actual document, the ERAA makes the following points.

- The report focuses heavily on changes to dwellings resulting in an increasing incidence of ‘negative pressures’. While this is a significant (and no doubt growing) issue, other major factors such as obstructed flues, faulty flue installations and appliances installed in prohibited areas seem not to have been considered.
- Mandatory appliance servicing for all gas appliances every two years may be impractical and may not be effective if only placed on rental properties. However, we strongly support that consumers are advised to undertake bi-annual servicing of internal appliance. Other options that should be investigated include mandatory servicing on internal appliances over a certain age. The ERAA notes however that this would be burdensome and perhaps impossible to administer and enforce.
- The suggestion to use room sealed forced draft flued heater appliances would reduce risk but not eliminate it, and is therefore limited in its effectiveness. For example, if a flue becomes blocked or dislodged, it will cause a problem whether it is a natural draft, balanced or powered flue appliance.
- In Section 2.1.1, the report states that “poor” combustion leads to the production of CO. However, in our understanding the correct term is ‘incomplete combustion’. This is where flue products mix with air and gas and are re-burnt in the process of vitiation.
- The report does not consider trends in household construction and configuration, where there has been a trend away from installing gas appliances internally and instead having them externally fitted. In many newly built homes, the only internal gas appliance is the gas cooker.

Should you wish to discuss the details of this submission further, please contact me on (02) 9241 6556 and I would be happy to facilitate such discussions with my members.

Yours sincerely



Cameron O'Reilly
Executive Director
Energy Retailers Association of Australia

