**AREMA CALLS FOR URGENT REFORM ON INCENTIVES FOR HOT WATER HEAT PUMPS**

New South Wales and Victoria, supported by initiatives taken by the Commonwealth Government, created bold programs to support electrification and net zero through providing rebates to home and business owners that install hot water heat pumps.

While well intentioned, there are major flaws within these programs, including:

1. Safety – some of the equipment on the market have inherent risks and are being installed by an untrained cohort.
2. Performance - some of the hot water heat pumps for sale simply do not give the electricity savings and hot water indicated.
3. Fraud & waste – unscrupulous and untrained people are selling and installing poorly made and designed products to an unsuspecting population to obtain the incentives.

Industry has been engaging on these issues with governments, for the last couple of years, but there remains no certainty that significant reforms are forthcoming.

AREMA argues that if reform is not possible over this year, then the incentive programs in place now should be put on hiatus until these issues are resolved.

So what needs to happen?

* Product standards for safety and minimum energy performance needed to be in place. We are still waiting for these to be developed, implemented and put into regulations.
* The trade needed to be trained and licensed. The knowledge and skills needed includes both plumbing and refrigeration expertise. The licensed plumber and fridgies out there needed to have their skills lifted before these programs recommence.
* There needed to be a robust compliance regime to ensure questionable products and people are kept out the market.

To be clear, there are well-engineered hot water heat pumps on the market from all over the world, that are being installed by competent and experienced technicians. These products deliver hot water efficiently and with a markedly reduced electricity bill and lower emissions

Sadly, these products have become the exception. Responsible companies simply can’t compete against cut price products with installers who are focused on how many rebates they can get in a day.

What is the home or small business owner to do before any reforms are complete? Simply use common sense – hot water heat pumps are new technology. Even with a government incentive it should actually cost some money. If an offer sounds too good to be true, it is and simply decline.

AREMA (Air-Conditioning & Refrigeration Equipment Manufacturers Association of Australia) , established in 1967, represents the interests of air-conditioning, refrigeration and heat pump equipment manufacturers active in the Australian market. We work with government and industry on policy formulation and regulation to achieve the best outcomes for our members and the wider community.

For further comment or details, please contact Greg Picker, AREMA’s Managing Director, on 0403741715.