

5 April 2013

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Dear Sir/Madam

Inquiry into the Water Efficiency Labelling and Standards (Registration Fees) Bill 2013; and the Water Labelling and Standards Amendment (Registration Fees) Bill 2013

The Water Services Association of Australia (WSAA) welcomes the opportunity to provide comment on the above Bills. WSAA is the peak industry body that brings together and supports the Australian urban water industry. We have 31 members, the largest water utilities in Australia. Our members service around 17 million Australians with urban water services. Our Association facilitates collaboration, knowledge sharing, networking and cooperation within the urban water industry. We also provide a forum for debate on issues important to the industry and a voice for communicating the members' views.

WSAA members are currently developing a 2030 Vision and key outcomes for the industry. WSAA members' vision for the sector is **Customer driven, enriching life**. The vision recognises the importance of becoming customer focussed, and contributing to liveable communities where water services have broad economic, environmental and social values with multiple beneficiaries.

The WELS Scheme

The Water Efficiency Labelling and Standards Scheme (WELS Scheme) is an important component of the water efficiency programs implemented across Australia. The scheme particularly contributed to the success of government funded rebate programs run during the Millennium drought. WSAA and its member are proud of the contributions they have made over time to the further development of this scheme particularly the inclusion of more products and the introduction of minimum standards.

WSAA has contributed to the development of this Bill through participating in the review of the WELS Scheme in 2010, commenting on a Consultation paper in 2012 and contributing to the National WELS Advisory Group that has developed the WELS Strategic Plan 2012-2015.

Impact on customers

Customers strongly support continued investment in water efficiency activities and measures (eg about 70% of Melburnians and 56% of Sydneysiders support water efficiency programs). The WELS Scheme not only

provides information to customers to inform choice when investing in new water-using appliances but it also sets minimum standards (where the benefits outweigh the costs) for some appliances, helping to reduce the gap between demand and supply in the long term, which benefits communities and governments.

WSAA advises that the impacts on customers through implementation of these Bills could include:

- limited competition and less choice for customers if the fees prove prohibitive for smaller manufacturers
- higher prices for water efficient appliances if manufacturers choose to 'pass through' costs to consumers

To avoid these impacts WSAA has always maintained that the WELS scheme has public good characteristics and as such should be government funded. Nevertheless, WSAA understands that upon reading the two Bills this is purely an administrative process to confirm arrangements following a Determination made on the 15 January 2013 (the WELS Determination) to adjust the registration fees so that 80% of the cost of administering the WELS Scheme is recovered from product registration fees. A Determination which WSAA and its members had the opportunity to contribute to through public consultation sessions and providing advice to the National WELS Advisory Group.

Setting the cost recovery rate – open, collaborative processes

Importantly, WSAA understands that the Bill itself does not specifically refer to a 'cost recoverable amount' (ie 80%) but rather allows the Government of the day to set fees which are calculated to recover the costs of the scheme to the extent intended by that Government. Therefore, WSAA hopes that any future revisions of the 80% rate will follow the open, collaborative and transparent process used to arrive at the current rate and include a thorough review of administrative processes relating to the Scheme to improve efficiencies. On this issue, WSAA supports the proposed alignment of product registration processes, at least for whitegoods, between the WELS Scheme and the E₃ Scheme.

WSAA is happy to elaborate on any of the above.

Yours sincerely



Adam Lovell
Executive Director