

COAG Standing Council on Environment and Water
(incorporating the National Environment Protection Council)

Public Consultation:

Wood Heater Emissions

Overview

- ❑ Introduction
- ❑ National policy context
- ❑ Regulatory impact assessments
- ❑ Consultation RIS on emissions from wood heaters
- ❑ Feedback on the Consultation RIS
- ❑ Process for making a submission

Introduction

- ❑ Presenting on behalf of COAG Standing Council on Environment and Water
- ❑ Wood heater consultation process
- ❑ Time for questions at end of talk

National policy context

- ❑ Standing Council on Environment and Water
- ❑ National Plan for Clean Air
- ❑ Need to manage emissions from wood heaters:
 - ❑ 1.1 million wood heaters in service in Australia
 - ❑ 40,000 tonnes per annum
 - ❑ around 25,000 units sold in 2012

National plan stage 1 - focuses on particles

Benefits in first focussing on particulate matter:

- ❑ Size of health benefits to be gained
- ❑ Current population exposure to particles
- ❑ Range of cost-effective actions available

Why manage wood heater emissions?

- ❑ Long-standing and strong community interest
- ❑ Degree of inconsistency between jurisdictions
- ❑ Desire to do more at a national level
(i.e. COAG commitment)
- ❑ Test effectiveness & feasibility of national approach

Regulatory impact assessments

- ❑ Need for action (i.e. before addressing the problem)
- ❑ Emphasis is on analysis of feasible options
- ❑ Benefits and costs are assessed
- ❑ COAG requires broad stakeholder consultation
- ❑ Consultation helps identify gaps

Regulatory impact analysis elements

1

- **Statement of Problem:** RIS clearly identifies problem(s)

2

- **Objectives:** Intended outcomes, goals; should not pre-justify a preferred solution

3

- **Statement of Options:** Identify a range of viable options

4

- **Impact Analysis (Costs and Benefits):** Provide adequate analysis of costs and benefits of options

5

- **Consultation:** Describe consultation and summarise views

6

- **Evaluation and Conclusion:** Why preferred option; Benefits of proposal outweigh the costs

7

- **Implementation and Review:** Provide how preferred option implemented, monitored and reviewed

Consultation RIS

Decision RIS

Scope of Wood Heater Consultation RIS

- ❑ Slow combustion (space) wood heaters:
 - ❑ with or without water heating
- ❑ Does not cover wood fuelled :
 - ❑ stoves, BBQs, water heaters
 - ❑ central heaters

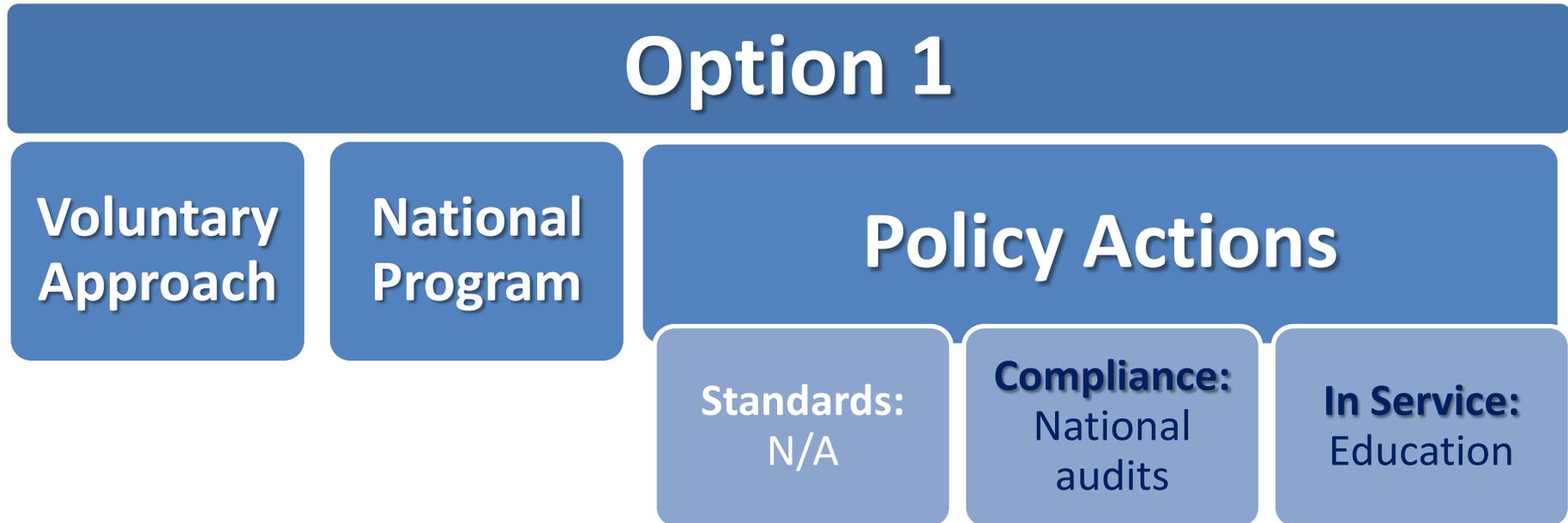
Consultation RIS measures

- ❑ Measures include:
 - ❑ wood heater design/performance standards
 - ❑ in-service operational performance
- ❑ Concludes analysis supports national action
- ❑ All options provide significant net benefits

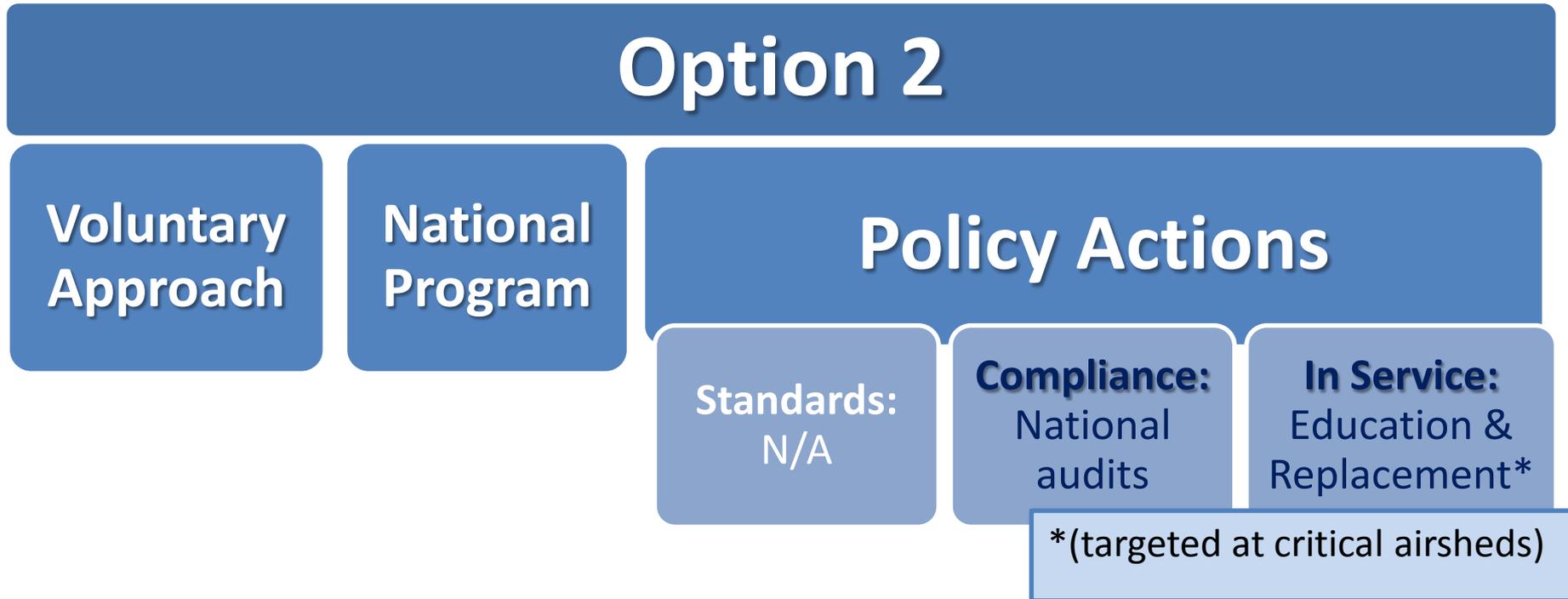
Policy approaches

- ❑ 9 Options are grouped in 3 approaches:
 - ❑ voluntary national program (2 options)
 - ❑ collaborative approach (3 options)
 - ❑ national regulatory approach (4 options)
- ❑ Following figures give policy actions for each option

Voluntary approaches



Voluntary approaches



Collaborative approaches

Option 3

Collaborative Approach

Jurisdictions*

*Enhanced jurisdictional regulatory arrangements calling up Australian Standards, with complementary Commonwealth programs

Policy Actions

Standards:
Emissions labelling (compliance plate)

Compliance:
Nationally coordinated funding for state-based standard audit & enforcement

In Service:
Education

Collaborative approaches

Option 4

Collaborative Approach

Jurisdictions*

*Enhanced jurisdictional regulatory arrangements calling up Australian Standards, with complementary Commonwealth programs

Policy Actions

Standards:

As in Option 3 but with National star rating labelling scheme

Compliance:

As in Option 3

In Service:

As in Option 3

Collaborative approaches

Option 5

Collaborative Approach

Jurisdictions*

*Enhanced jurisdictional regulatory arrangements calling up Australian Standards, with complementary Commonwealth programs

Policy Actions

Standards:

As in Option 3 but with Efficiency standard (60%)

Compliance:

As in Option 3

In Service:

As in Option 3

Regulatory approaches

Option 6

**National
Regulatory
Approach**

Policy Actions

**Legislation:
NEPM
Commonwealth
Mirror**

Standards:
Labelling
Efficiency &
Emission
standards
(60%; 3g/kg)

Compliance:
Testing &
certification
National
Audits

In Service:
Education

Regulatory approaches

Option 7

**National
Regulatory
Approach**

Policy Actions

**Legislation:
NEPM
Commonwealth
Mirror**

Standards:
As for
Option 6

Compliance:
As for
Option 6

In Service:
Education;
Excessive
smoke
definition;
Modification,
installation,
2nd Hand
controls;
Replacement
incentives

Regulatory approaches

Option 8

**National
Regulatory
Approach**

**Legislation:
NEPM
Commonwealth
Mirror**

Policy Actions

Standards:
Labelling;
Efficiency &
Emission
standards
(65%; 3g/kg)

Compliance:
As for
Option 7

In Service:
As for
Option 7

Regulatory approaches

Option 9

**National
Regulatory
Approach**

**Legislation:
NEPM
Commonwealth
Mirror**

Policy Actions

Standards:
Labelling;
Efficiency &
Emission
standards
(60%; 1.5g/kg)

Compliance:
As for
Option 7

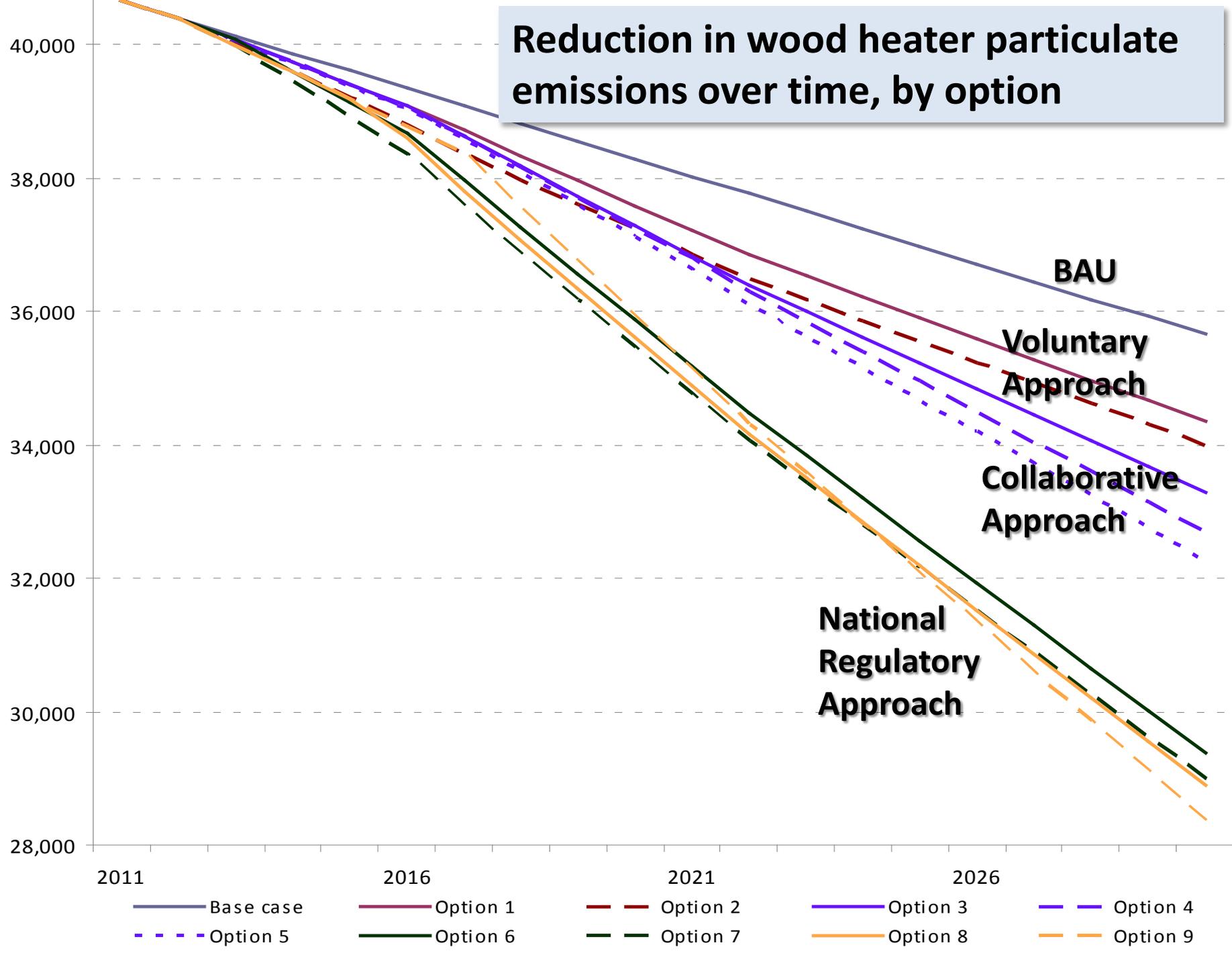
In Service:
As for
Option 7

Business-as-usual scenario

- ❑ Under business-as-usual scenario for wood heaters:
 - ❑ Estimated fall in particulate emissions from around 40,000 tonnes to 35,000 tonnes over next 20 years
- ❑ Under policy options examined, reductions on BAU after 20 years range:
 - ❑ from 3% (for Option 1)
 - ❑ to 18% (for Option 9)

Reduction in wood heater particulate emissions over time, by option

Tonnes of PM10 from woodheaters per annum



Implementing costs to government

Range estimated over 20 years:

- ❑ Option 1:
 - ❑ **\$15 million:** national audits and education programs
- ❑ Options 7 to 9:
 - ❑ **\$39 million:** national regulatory framework (certification, auditing, replacement, etc)

Implementing costs to manufacturer

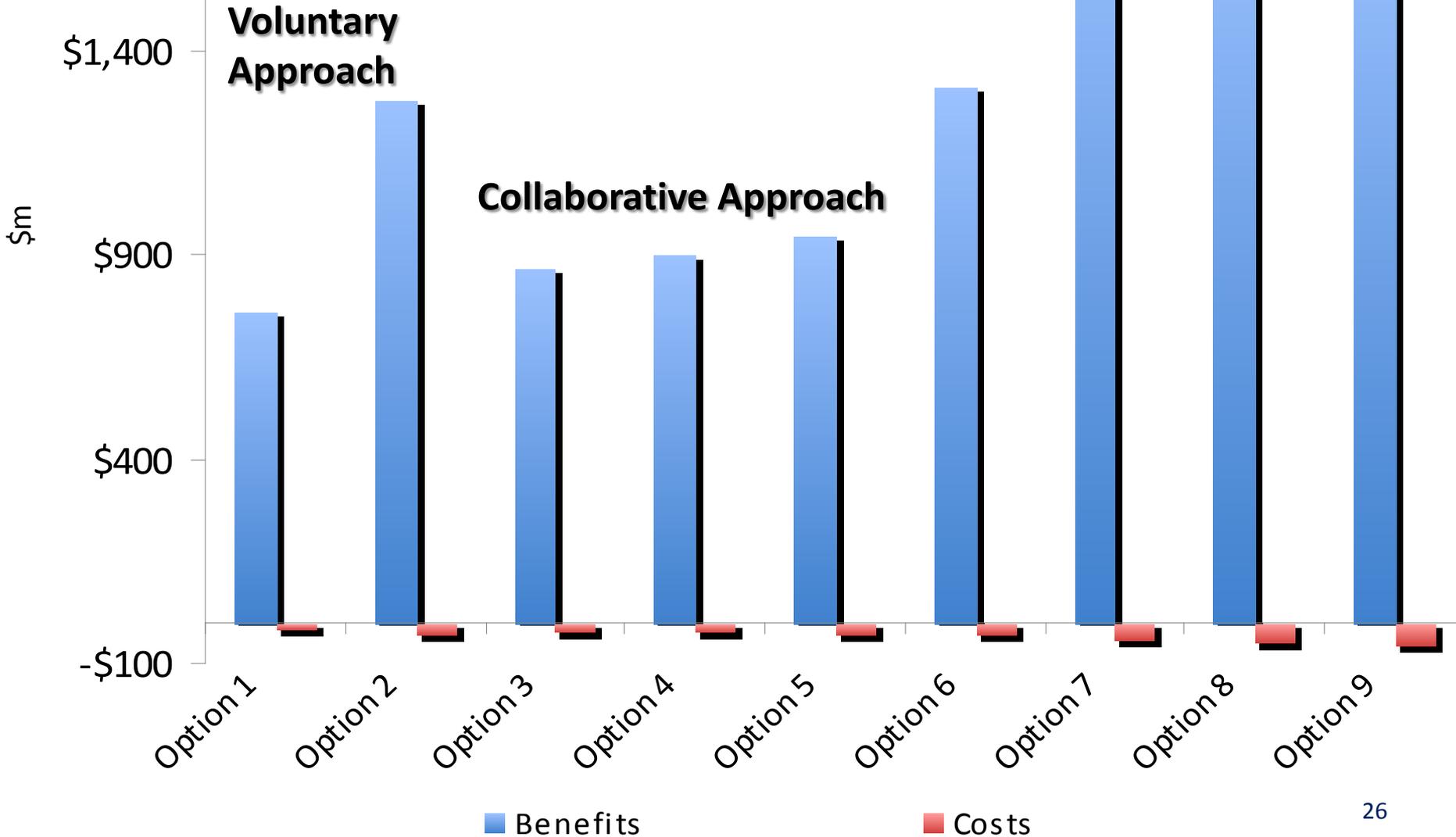
- ❑ Range estimated over 20 years to meet standard changes:
- ❑ Option 1:
 - ❑ **\$240,000**: improvements to heaters to comply with the existing standard and any re-testing required
- ❑ Option 9
 - ❑ **\$17 million**: development costs to meet tighter emission and efficiency standards

Health benefit estimates

- ❑ Over the 20 year assessment period:
 - ❑ From \$760 million to around \$1,850 million
 - ❑ Greatest emission reductions are estimated for Option 9
- ❑ BUT highest health benefits estimated for Option 7 due to shorter phase-in period for new standards

Benefits and costs of options

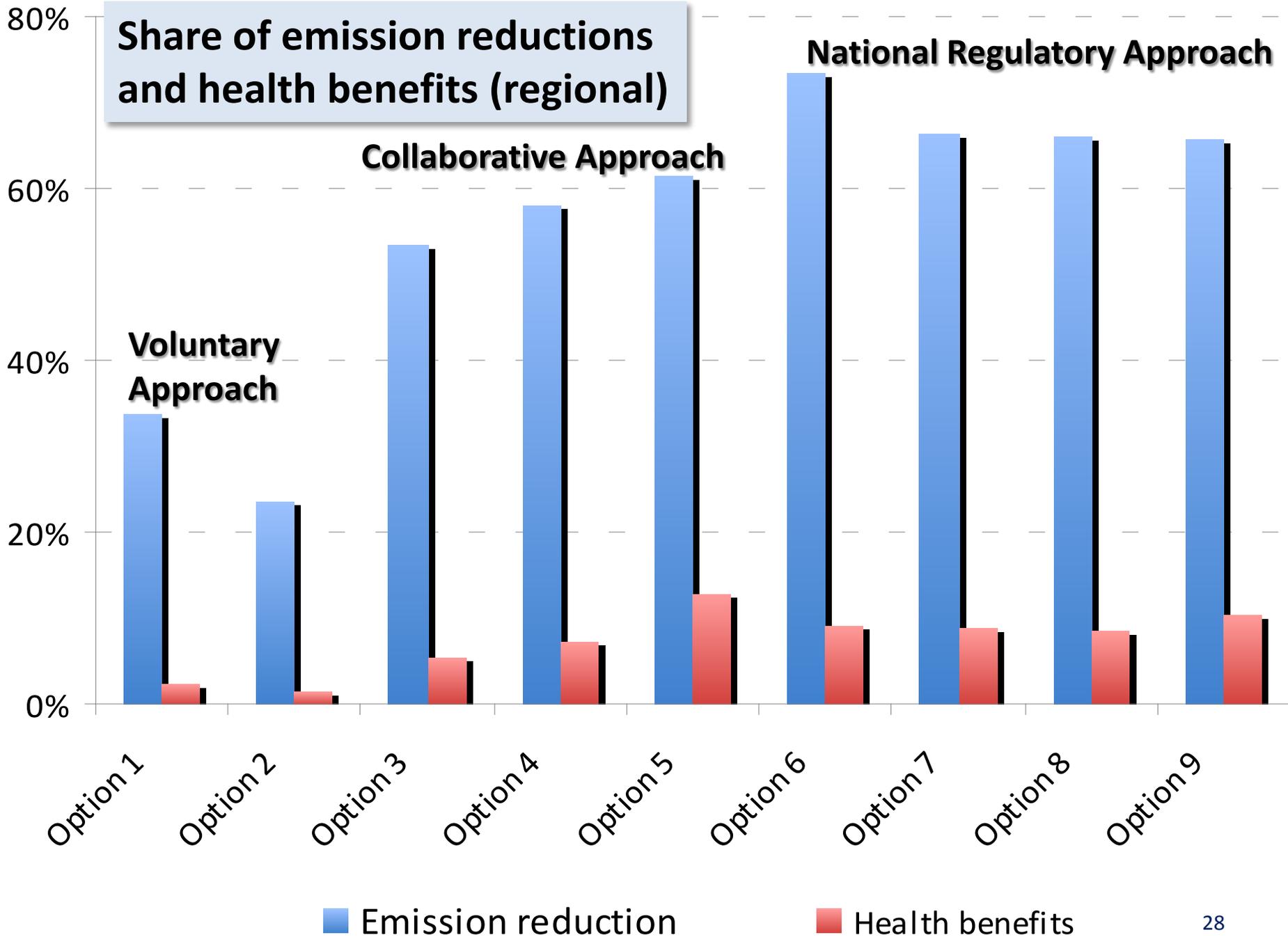
National Regulatory Approach



Social impacts of policy options

- ❑ Tightening of standards may impact manufacturers
- ❑ Impact on heater prices estimated from \$20 to \$230
- ❑ Options 1 & 2 targets critical urban airsheds
- ❑ Options 3 – 9 mostly targets rural airsheds
- ❑ Most benefits to urban residents under all options
 - ❑ Due to greater population of urban centres

Share of emission reductions and health benefits (regional)



Feedback on Consultation RIS

- ❑ Focus questions at the end of most chapters
- ❑ Consultation phase seeks stakeholder response on:
 - ❑ options presented
 - ❑ data and information used
 - ❑ conclusions presented

How to make a submission

- ❑ Consultation RIS is available at www.scew.gov.au
- ❑ Submissions can be made via email to scew.secretariat@environment.gov.au
- ❑ Submissions close on Monday 15 July 2013.
- ❑ Unless marked 'confidential', public submissions will be uploaded onto the Council website