

Thinking of installing a heat pump water heater?

Things to consider now you've been offered a heat pump water heater through the NSW Government's Energy Savings Scheme



About heat pump water heaters

A heat pump water heater works by extracting heat from the surrounding air to heat water. It is made up of a tank, a fan and compressor, which can be a single integrated unit or a split system.

Replacing an electric storage water heater with a heat pump water heater can save you up to 75% of the energy used for water heating. You can also save energy if you replace a gas water heater with a heat pump water heater.



How you get the benefit

The Energy Savings Scheme helps to lower the cost of installation, so you benefit from lower water heating bills.

The scheme makes this possible through the creation of certificates from the installation of the heat pump water heater. These certificates can only be created by accredited businesses that can sell them and use a portion of their value to offer you a lower installation price. The NSW Government does not set the price of the water heater or the installation.

Note: IPART only accredits these businesses to create certificates. We don't license tradespersons or regulate safety or consumer rights, which are NSW Fair Trading functions.



Advantages

- Save money in operating costs
- Better for the environment – they consume less energy and emit less greenhouse gases
- The Energy Savings Scheme makes installation more affordable.

TOP 5

things to consider before installation

Be sure to consider:

1. **System capacity and water use:** Choose a system with capacity to support your water use. A small system can run out of hot water while a large system can cost more to run than necessary.
2. **Noise:** Heat pump water heaters generate noise comparable to an air conditioner. Locate the system so it is appropriate for you and your neighbours.
3. **Space:** Heat pump water heaters take up more space than a conventional water heater and need to be in a well-ventilated area. Ideally they should be located close to where hot water is used (like a bathroom, kitchen or laundry).
4. **Warranty:** Consider how long the product warranty lasts and what it covers, including labour and parts.
5. **Who can install:** Businesses IPART has accredited to create certificates can arrange installation at a lower price. Search 'IPART energy upgrades help' in your web browser to see a list of these businesses.



What you need to do

1. Work with an accredited business. You are not obliged to work with a particular business or to install a heat pump under the scheme. It pays to shop around to get the best deal possible.
2. Pay a minimum co-payment.
3. Sign a nomination form and a declaration that you are satisfied with the installation.

Frequently asked questions

About heat pump water heaters

Are heat pumps cheaper to run than my old system?

Heat pump water heaters use significantly less energy than gas or electric resistance water heaters but bill cost savings are also influenced by whether you use off peak electricity to heat your water or if you have solar panels. Check your bill to see your current billing arrangements. How much energy you save depends on how much hot water you use, the ambient temperature in your location and when you run the heat pump. Discuss with your installer what energy and bill savings your heat pump can achieve.

How do I know what product is right for me?

You should consider factors including the type of system that is best for your situation (e.g. a split or integrated system), system size, the climate and product warranties when choosing a heat pump water heater.

Some heat pumps struggle in air temperatures near freezing so may use a resistive electric booster to ensure hot water is available on very cold days. This can reduce your energy savings. Look for a system that will operate under very cold conditions without the need for a resistive booster if you live in a cold area.

See our website for [information you should know about heat pump water heaters](#).

Other sources of product information include www.canstarblue.com.au and www.choice.com.au.

What tank size should I choose?

While a rough guide is 100 litres per bedroom or household member, factors like spa baths, long showers and cold climates may require a larger tank. We recommend you discuss your needs with your installer to determine the optimal tank size.

Where should I locate the heat pump?

Consider installing heat pump water heaters away from bedrooms, windows and neighbouring properties due to the sound and cool air they generate. The installation area should have good air flow. Locating the water heater close to the main areas hot water is used can help save energy.

What products are available?

To be eligible for an upgrade under the Energy Savings Scheme a business accredited to create certificates or their installer must install a product approved for use under the scheme.

You can search the [Approved Products List](#) to check the models on the list. Not all businesses will offer all products.

Note: Normal consumer rights and warranties apply – the scheme doesn't provide additional rights and warranties

The installer says I can get a great offer on a heat pump. Is this true?

Yes, a business accredited by IPART to create certificates for heat pump activities or their installer can offer installation at a lower price. However, IPART doesn't regulate the prices offered to customers, so we cannot advise on the actual costs.

Costs can vary depending on factors such as whether the existing water heater is electric or gas and the complexity of the installation.

We recommend customers shop around for a product/service that best meets their needs – see the list of [accredited businesses](#) on our website.

About the scheme

Where can I find out more about the scheme?

For more information see:

- [How the Energy Savings Scheme works](#)
- [FAQs for households and small businesses.](#)

What does the minimum co-payment cover?

The scheme requires that you pay a minimum co-payment that is non-refundable. It may cover the costs of products, installation, site assessment or other related works carried out at your property.

Why do I need to sign a nomination form?

By completing this form you give the business the right to create certificates from your installation. They can then sell these certificates, which allows them to offer you heat pump water heater at a lower price. They cannot create certificates without this form.

Who can I contact if I have concerns?

If you are not happy with the quality of work or require more information, speak to the accredited business or installer first.

If you are unable to resolve the problem NSW Fair Trading may be able to assist. It investigates unfair practices and ensure the products sold in NSW are safe and meet its regulations and safety standards. More information about your rights as a consumer, tips for resolving consumer disputes, and how you can make a complaint is available on its website: www.fairtrading.nsw.gov.au.

If you are concerned the accredited business or their installer has not complied with ESS requirements or they are not responding, you can contact us at ESS.Compliance@ipart.nsw.gov.au.



You may be contacted by an auditor to confirm details of the installation

Get the online version of this fact sheet by searching 'ESS need to know heat pumps' in your web browser or at:
<https://www.energysustainabilityschemes.nsw.gov.au/ess/what-you-need-know-about-installing-heat-pump-water-heaters>