

# Energy Security Safeguard Schemes

## Notice 03/2024

25 September 2024

### Heat Pump Water Heater – Scheme Legislative Licence Requirements

- Accredited Certificate Providers (**ACPs**) and their representatives must comply with all state and Commonwealth laws
- Unlawful activity is not a Recognised Energy Savings Activities (**RESA**) in the ESS or a Recognised Peak Activity (**RPA**) in the PDRS
- ACPs and their representatives must hold all relevant licences and be able to evidence this for each implementation
- This Notice is a reminder of existing legislative and scheme obligations. It does not replace or override obligations you have under relevant legislation.

ACPs undertaking Heat Pump Water Heater (**HPWH**) activities should ensure:

- they and their representatives hold the correct licences including contactor licences, and
- all implementations are *performed* or *supervised* by a suitably qualified licence holder in compliance with the relevant standards and legislation.

### Company level licence

Under the *Home Building Act 1989* a company or partnership must have a contractor licence before it **advertises, contracts, or sub-contracts** to do:

- all electrical wiring work
- all plumbing, drainage and gasfitting work
- all air-conditioning and refrigeration work (except plug-in appliances).

An ACP is required to hold the relevant contractor licences before it advertises, contracts, or sub-contracts to do any of the above listed work. For example, an ACP who arranges an installation or agrees on a price with a customer has in fact entered a contract with the customer and a sub-contract with the installer, requiring them to hold all relevant contractor licences. If an ACP does not advertise, contract or sub-contract to provide or facilitate HPHW implementations, then it

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders both past and present. We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.

An initiative with:

may not need to hold a contractor licence. However, the ACP must be able to evidence that the business and individual advertising, contracting or sub-contracting to do HPHW implementations holds each required NSW contractor licence (i.e. electrical, plumbing and refrigeration).

Contracting to supply and install, and the physical installation of HPWHs in NSW requires:

- appropriate contractor licences to be held by the company or person that is supplying and installing the HPWH, and
- appropriate contractor licences to be held by the company doing the actual installation (if it is another company).

The table below summarises licences required to undertake the supply and installation, and servicing, of HPWHs at all residential and commercial premises in NSW.

Table 1 Heat pump water heater licence requirements

Heat Pump Type	Work performed	Required NSW Licence(s)	Commonwealth refrigerant handling licence <sup>a</sup>
Integrated OR split system with water piped	Supply/Installation	1. Electrical 2. Plumbing/water plumber	N/A
	Servicing	1. Electrical 2. Plumbing/water plumbing 3. Refrigeration	Required
Split system with refrigerant piped	Supply/Installation & Servicing	1. Electrical 2. Plumbing/water plumbing 3. Refrigeration	Required

a. Required if equipment contains a scheduled refrigerant (see Schedule 1 of the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989*)

Source: NSW Building Commission and Australian Refrigeration Council

A gas fitter licence may also be required for disconnecting or capping off a gas service depending upon the type of hot water heater being replaced.

A refrigerant handling licence is required if the heat pump contains a scheduled refrigerant under Schedule 1 of the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989* for:

- installing a split system with the piped refrigerant between the compressor and tank, or
- servicing a HPWH of any type which requires accessing the refrigerant system.

## Providing licensing data to IPART

The Scheme Administrator requires details of relevant licences when uploading data for the registration of certificates. This data assists with compliance checks and auditing. However, it does not fully evidence that the activity has been *performed or supervised* by a suitably qualified licence holder in compliance with the relevant standards and legislation. ACPs must retain information to evidence that each implementation meets the above requirement.

Under the *Home Building Act 1989* a holder of a qualified supervisor certificate or endorsed contractor licence can *conduct or supervise*:

- all electrical wiring work
- all plumbing, drainage and gasfitting work, and
- all air-conditioning and refrigeration work (except plug-in appliances),

Where a person other than a qualified supervisor certificate or endorsed contractor licence holder performs work to install a HPWH (i.e. holder of a tradesperson certificate or apprentice), ACPs should retain evidence of:

- who performed and supervised each implementation
- their licence and certificate details, and
- where supervised, what the supervisory arrangements were for each implementation, and how that meets the requirements of the *Home Building Act 1989*.

Care should be exercised where the licence holder is supervising or undertaking multiple installations or implementations on the same day to ensure the arrangements comply with the requirements of the *Home Building Act 1989*.

## ACPs are responsible and accountable

ESS Notice 01/2013 [Minimum Requirements of Conduct \(The Minimum Requirements\)](#) apply to ACPs, in respect of their own conduct and the conduct of any person participating in any aspect of a RESA on behalf of that ACP. We call these persons 'representatives' and this term is defined in The Minimum Requirements.

The Minimum Requirements apply from the initial engagement with customers whether that is done by the ACP or its representatives. ACPs must exercise *effective control* over all activities conducted by their representatives. ACPs must have contractual arrangements with their representatives in place *before* the representative conducts any activity on the ACP's behalf.

ACPs are accountable for:

- any activity conducted by a representative on their behalf, deliberate or otherwise.
- compliance with ESS and PDRS requirements (including representatives holding appropriate licences).

ACPs cannot contract out of this accountability through a contract with their representative. The Scheme Administrator holds ACPs responsible for all actions, omissions and information provided by representatives acting on their behalf. Representatives should always disclose the name of the ACP they are representing. This is not restricted to the point of nomination.

## What do I need to do?

ACPs should review their current systems, policies and contractual arrangements to ensure:

- they and their representatives hold all relevant licences
- they are able to evidence this for each implementation, and
- data uploaded to TESSA when registering certificates is accurate and complete.

## How we respond to non-compliance

IPART and Building Commission NSW are exchanging information and will investigate and take action on non-compliances with licensing and sub-standard installations.

This includes:

- increased and targeted audit programs focussing on systemic and emerging issues
- inspecting sites where energy savings or peak demand reduction activities have occurred
- identifying and investigating suspected non-compliance, and
- enforcement action including issuing penalty notices, civil penalties, imposing conditions, suspending/cancelling accreditations or requiring the forfeit of certificates.

The Scheme Administrator may refuse the registration of certificates or seek the forfeit of certificates where it is not satisfied that installations have been done in accordance with:

- the ESS or PDRS Rule
- conditions of accreditation including compliance with [ESS Notice 01/2013 – V3.0 Minimum Requirements](#), and
- legislative requirements including the legislation listed below.

## Relevant legislation

*Gas & Electricity (Consumer Safety) Act 2017*

*Gas & Electricity (Consumer Safety) Regulation 2018*

*Home Building Act 1989*

*Home Building Regulation 2014*

*Ozone Protection and Synthetic Greenhouse Gas Management Act 1989*

*Ozone Protection and Synthetic Greenhouse Gas Management Regulations 1995*

*Plumbing & Drainage Act 2011*

*Plumbing & Drainage Regulation 2017*

## Other resources

The [NSW Fair Trading website](#) lists additional types of licences and the conditions under which they operate:

- Qualified supervisor certificate
- Endorsed contractor licence
- Tradesperson certificate

The [Commonwealth Department of Climate Change, Energy, the Environment and Water \(DCCEEW\) website](#) lists the greenhouse warming potential (GWP) of:

- relevant hydrofluorocarbon scheduled refrigerants, and
- refrigerants not controlled under the Ozone Protection and Synthetic Greenhouse Gas Management legislation (these have a GWP under 5).