

Out of scope



606 NEW INCENTIVES FOR WATER SECURITY (Karlene Maywald) - NOTED

Out of scope



TO: THE PREMIER FOR CABINET TO NOTE

RE: NEW INCENTIVES FOR WATER EFFICIENCY

1. PROPOSAL

That Cabinet note :

- That I intend to introduce a package of incentives and rebates to encourage greater water savings around the home.
- That the cost of the package will be met from within agencies' existing budget targets

2. BACKGROUND

- 2.1 A review of potential incentives to save water around the home (both indoors and outdoors) has identified a number of measures which can be implemented to encourage water savings.
- 2.2 Indoor water incentives, and their corresponding water savings, have been calculated using Water Proofing Adelaide models. Outdoor incentives have been identified after consultation with representatives of the nursery & garden, turf and irrigation industries.
- 2.3 The proposed rebates would be available to residential properties and, consistent with current rainwater tank inclusions, would be extended to those on non-mains water (eg bores).

3. DISCUSSION

- 3.1 Water Proofing Adelaide set a target of decreasing indoor household water use by 11.4GL by 2025. The package of incentives identified by SA Water will provide an annual total of 5.2GL of indoor water savings by 2010.
- 3.2 The package of incentives identified by SA Water is as follows :
- 100,000 Low Flow Showerheads (Combination of a \$30 Rebate and Exchange Program)
 - 5,000 Eco-Audits by a Plumber (Cost of \$50 to the Householder)
 - 40,000 Garden Smart Pack of water efficient gardening goods (\$75 Rebate with a spend of \$150 on specified products)
 - 1,250 Washing Machine Rebates (\$200 Rebate)
 - 1,650 Dual Flush Toilets Rebates (\$150 Rebate)

3.2.1 Low Flow Showerheads

A rebate of \$30 will be offered upon purchase of a low flow showerhead. Alternatively, an exchange program will be developed which will allow householders to swap old showerheads for a low flow model at no cost.

3.2.2 Eco-Audits

This is a similar initiative to indoor audits offered interstate. At a cost of \$50 residents will receive :

- an audit which will include a comprehensive report with recommendations and solutions that can be implemented to reduce water and energy consumption (valued at \$100);
- free installation of a low flow showerhead (valued at \$30)
- 2 flow limiting devices (valued at \$30) - used as a replacement for washers in taps to reduce water flow (eg kitchen, laundry, bathroom). They come in different flow rates to suit the house's plumbing requirements.

The home audit is divided into two sections comprising an internal water assessment and an external water assessment.

The internal water assessment is split into sub-groups which are:

- *Water Services* – A check is conducted to ensure the integrity of water pipes within the dwelling.
- *Kitchen* - A check is conducted to ensure there are no leaking taps. A flow rate is recorded giving a litres per minute calculation.
- *Ensuite* - A check for leaks is conducted. Toilet flushing rate is recorded. A flow rate is recorded for each outlet.
- *Bathroom 1* - A check for leaks is conducted. Toilet flushing rate is recorded. A flow rate is recorded for each outlet.
- *Bathroom 2* - A check for leaks is conducted. Toilet flushing rate is recorded. A flow rate is recorded for each outlet.
- *Laundry* - A check for leaks is conducted. Washing machine water usage is recorded. Flow rate from laundry trough is recorded.
- *Hot Water* - Design, type and size of hot water unit is recorded. A leakage check is conducted. Flow rates are recorded.

At the completion of the internal audit the data will be collated and residents will be provided with a written copy of the report including calculations, water, energy and cost savings.

Free installation of the low flow showerhead is consistent with a key finding of Water Proofing Adelaide which stated that low flow showerheads had the highest water saving per cost ratio.

The external assessment includes checking the hot water service and external taps for water leaks.

3.2.3 Garden Smart Pack

An expanded rebate scheme for outdoor water savings products will provide valuable support for the gardening industry, by providing an incentive for people to visit their local garden centres for advice and products.

The proposed incentives under the Garden Smart Pack of Garden Goods would allow for a \$75 rebate for \$150 spend on specified water efficient garden goods to help South Australians protect their gardens in the upcoming summer months, including :

- Mulch
- Pressure reducing valves
- Soil wetting agents
- Soil moisture sensors
- Tap timers

3.2.4 Washing Machines & Dual Flush Toilets

Rebates of \$200 will be offered for water efficient washing machines and rebates of \$150 will be offered for dual flush toilets.

The installation of both water efficient washing machines and dual flush toilets saves on average 20KL per annum per household each.

After low-flow showerheads, they present the biggest opportunity to save water inside the home.

3.3 The cost of this package is calculated at \$8 million per annum for 3 years (including administration and communications) – total cost of \$24 million. These costs will be met from within SA Water's existing budget targets. The majority of this expenditure for rebates/water demand management communications is already provided for within the existing forward estimates as part of the Water Proofing Adelaide program. The remainder will be sourced from reprioritising other SA Water initiatives, which will not impact service levels to customers.

3.4 Discussions are ongoing at an officer level with the Department of Transport, Energy and Infrastructure regarding the proposed water heater exchange initiative, with the aim of including the installation of low flow showerheads as part of the program (from 1 July 2008).

3.5 There is also an opportunity to work with local government to promote water efficiency in the community. Community groups will be encouraged to introduce water efficient products in community facilities such as sports clubs, halls etc.

3.6 This initiative may be supported by :

- local community events,
- gardening events in partnership with local nursery & garden centres (eg mulch giveaways & horticultural advice),

- Free shower timers,
 - Free low flow showerheads (available under a swap and exchange program and installed as part of Councils' Home Assist programs)
- 3.7 This program will require further dialogue and negotiation with the Local Government Association to form a Memorandum of Understanding (MOU).
- 3.8 Treasury and Finance have been consulted on the proposal. As this paper does not seek a Cabinet decision, a formal comment from Treasury and Finance is not required.

Treasury and Finance have acknowledged that SA Water will be submitting a full range of Water Security measures and associated costs as part of the Mid Year Budget Review process.

The package will be funded from SA Water's budget (through cost savings and reprioritising SA Water initiatives) and does not seek new funding.

3.9 **Rainwater Tanks rebate**

Additional incentives have been identified by DWLBC and the Water Security Taskforce for extending the Rainwater Tank rebate scheme. Automatic seamless switching and encouraging connection to more than one connection point for household use has been identified as increasing water saving of non-mains water. It is expected that these measures will increase water saving initiatives by 40% for encouraging automatic seamless switching and 30% for encouraging more than one indoor use.

There has been a dramatic increase in the uptake of rainwater tanks in the last few months. It is proposed to manage any risk to the budget by capping expenditure on the Scheme at the current budget (including carryover funds from 2006/07). Any outstanding eligible applicants would be provided with the rebate as a priority in the subsequent financial year.

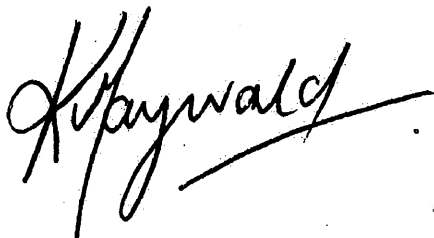
The Minister for Environment and Conservation proposes to incorporate a rebate for seamless automatic switching or connection to 2 or more connection points. The rebate will be up to \$200.

- 3.10 A lead time of around 4 weeks is required to finalise the rebate package for uptake, including establishing administrative processes and refining the details regarding terms and conditions of the scheme. It is anticipated that this package will be ready to be offered to the public from 1 November 2007. A full communications strategy will accompany the introduction of the package.

4. RECOMMENDATION

It is recommended that Cabinet note:

- That I intend to introduce a package of incentives and rebates to encourage greater water savings around the home.
- That the cost of the package will be met from within agencies' existing budget targets.



Karlene Maywald
MINISTER FOR WATER SECURITY

24 September 2007

In Cabinet

24 SEP 2007

