

SECOND READING SPEECH

WATER EFFICIENCY LABELLING AND STANDARDS BILL 2013

Mr Speaker, I move that the Bill now be read a second time.

This Bill upholds the Tasmanian Government's commitment to maintain legislation that corresponds to a national scheme for water efficiency labelling and standards. The commitment was made in 2005 when Tasmania signed the Inter-Governmental Agreement for the Water Efficiency Labelling and Standards Scheme. Known as WELS, the scheme underpins a system to apply performance standards to household water products.

The objectives of the Bill and the national scheme are to promote the conservation of Australia's water resources. The intention is to reduce household water consumption by providing information to consumers on water use and water saving products. By promoting water efficiency at the point of sale, the WELS scheme also supports the development of new water-use technologies.

Products covered by the scheme include washing machines, dishwashers, showers, toilets, urinals and tap ware. As of March 2013, there were over 16 000 products registered nationally under the WELS scheme. There are no products registered under Tasmanian legislation and there are no manufacturers of WELS products in the state. There will also be no new significant impacts on importers or retailers from the passage of this legislation.

Product information labels inform purchasers of a product's water efficiency in the same way that energy rating labels on electrical appliances provide energy efficiency information. It is anticipated that the scheme will achieve 800 gegalitres of water savings by 2021.

The WELS scheme is regulated through a cooperative agreement between the States and Territories and the Commonwealth. Commonwealth and complementary State legislation forms the basis of the scheme. The Agreement outlines the roles and responsibilities of the jurisdictions for implementing the Act and scheme. The States and Territories have no operational role in the scheme but there must be

agreement from a majority of parties to make substantive changes to the scheme.

The Commonwealth Act, which enables the WELS scheme, provides the national Water Efficiency Labelling and Standards Regulator with the functions and powers to regulate water efficiency standards consistently across Australia. This means that industry participants who operate in multiple jurisdictions have a consistent playing field and compliance costs are minimised, which encourages compliance with the scheme.

During 2010 an independent review of the WELS scheme was undertaken, resulting in a number of recommendations to improve the efficiency and effectiveness of the scheme. As part of the review, consultation was undertaken with State and Territory Governments, water utilities, and consumer and industry representatives.

The review recommended two major changes to the Act to improve the effectiveness and efficiency of the WELS scheme. Firstly, it recommended refinement of the WELS product registration and fee provisions. Secondly, it recommended broadening the compliance provisions to allow both civil and criminal penalties to be applied.

In particular, the changes to the product registration and fee provisions will ensure that cost recovery for the scheme from industry participants (via WELS product registrations) rises from 20 percent to 80 per cent, as per the original intention of the scheme. The balance will be provided by the Commonwealth and the States and Territories. The Government contribution is apportioned half to the Commonwealth, with the States and Territories contributing on a pro rata population basis. Tasmania's commitment for 2012–13 is \$4 314, down from \$30 316 in 2011-12.

The compliance and enforcement provisions under the Act have been broadened to include civil penalties so that a tailored and appropriate response can be provided when the Act is contravened. This will lead to improvements in the efficiency and effectiveness of the compliance and enforcement effort.

The Standing Council on Environment and Water agreed to implement the recommendations of the independent review. An amendment Bill for the Commonwealth legislation was prepared and tabled in the Australian Parliament in May 2012, with the Bill passing both Houses and receiving Royal Assent in July 2012.

Tasmania's corresponding legislation, which commenced in 2005, has never been amended and is now inconsistent with the Commonwealth legislation. This Bill resolves that issue.

This Bill replaces the current Tasmanian WELS legislation and will realign Tasmania's WELS legislation with the Commonwealth Act. The Bill effectively applies the Commonwealth legislation as if it were a law of Tasmania.

The Bill does not represent a change in the State Government's policy regarding WELS, or abrogate any of its rights or responsibilities. It will have the same effect as the legislation it replaces. The current legislative approach for the WELS scheme is a Commonwealth-led legal framework, supported by mirror State and Territory legislation. However, the current Tasmanian WELS Act replicates rather than adopts the Commonwealth legislation. This means that it requires amendment each time changes are made to the Commonwealth legislation, which is onerous and can create ambiguity for stakeholders when the legislative changes occur at different times.

This Bill will adopt the Commonwealth legislation as a law of Tasmania and therefore, will remove the requirement to amend the State's WELS legislation if there are any future changes to the Commonwealth Act.

Adopting Commonwealth laws as Tasmanian laws through the use of "applied provisions" is advantageous for several reasons. Tasmania's corresponding laws will always be up to date with the Commonwealth legislation. This means our obligations under the Inter-Governmental Agreement are always met and the application of the WELS scheme in Tasmania is seamless.

This legislation will provide clarity to the regulated community in Tasmania, such as importers, wholesalers and retailers of household plumbing products, who operate in multiple states and territories. Avoiding the need to amend our Act every time the Commonwealth amends its legislation also represents a practical saving in Government resources. This approach is also consistent with State legislation in other sectors, including gene technology and therapeutic goods.

The Bill also makes provision to modify the Commonwealth water efficiency laws as they apply in Tasmania, should that be considered necessary. Regulations can be made, for example, that certain sections of the Commonwealth legislation do not have effect in Tasmania. This

ensures that the Tasmanian Act will not only be fit-for-purpose, but that the State also retains control of the legislative intent of the Tasmanian legislation.

The Bill is modelled on New South Wales mirror legislation, which has been successfully operating since 2005. I note that amendments to the New South Wales legislation were not required following the recent amendments to the Commonwealth Act. South Australia is also adopting this mirror legislation approach with its new WELS legislation, to be introduced in 2013. The Commonwealth supports Tasmania's approach in developing this mirror legislation.

Under this Bill, the national scheme of water efficiency labelling and standards regulation will continue to operate in Tasmania efficiently and to full effect, providing substantial water-saving benefits. Tasmania has a clear interest in the operation of the scheme and of the complementary legislation that has been drafted.

Mr Speaker, I commend this Bill to the House.