

# Response to audience questions

3 November 2023

## Responses from IPART

Questions are organised by:

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## How IPART engages with its stakeholders

### How do I become an ACP?

- You can apply to become an ACP through IPART.

The application process includes demonstrating that your business has high-level record keeping and business processes and can meet administration costs and obligations.

Learn more from our [Becoming an ACP](#) page.

### If resources aren't growing what is IPART doing to improve internal processes to ensure applications aren't left stuck in audit for months

- We are finding new ways to work more effectively in delivering our resources. We are enhancing our internal processes and updating TESSA to increase the flow and usability of data. Our strategy to use an outcome risk-based compliance approach also helps free up resources to serve you better without compromising the integrity or good reputation of the scheme.

### Why is there usually a long time before we get responses to queries?

- As a small team, we are responding to many queries each day. We aim to respond to these as quickly as possible. Due to the nature of the query and investigation, it can sometimes take longer than we would like.

### Is there a pathway to improve response time, or increase IPART resources, or prioritise time critical queries, or all the above?

- As you probably know, the number of people participating in the Safeguard, and the certificate registration volume, continues to grow each month. Yet our resourcing remains the same.  
We see this challenge and have been looking for more effective ways of regulating and administering the ESS and PDRS.

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Despite the pressure on resources, we have already dedicated some roles to enhancing the customer experience of queries.  
We encourage you to leave sufficient time when approaching key deadlines to make sure we can process your requests.

## Collaborating with other agencies

### **How closely is IPART working with NSW Fair Trading and the ACCC regarding consumer damage in the heat pump space?**

- NSW Fair Trading are the regulator of the Australian Consumer Law in NSW. IPART has briefed NSW Fair Trading on consumer issues relating to the installation of heat pump hot water systems and we will continue to work with NSW Fair Trading to ensure good outcomes for NSW consumers.

Although regulation of consumer law is not directly within IPART's remit, we remain concerned about potential misconduct because it affects the integrity and good reputation of the scheme. It is important that we leverage the tools and networks that are available to us to ensure positive consumer experiences and ultimately more successful, reputable, and compliant Safeguard Schemes.

### **How closely does IPART collaborate with its counterparts in other jurisdictions - for example, the ESC in Victoria and CER federally?**

- IPART is in regular contact with counterparts from other state jurisdictions to collaborate and learn from their experiences. This includes a mix of general catchups across the year and responses to specific issues.

## How we work with our regulated entities

### **If IPART is less likely to give us definitive answers or advice, what support will you provide ACPs to help them successfully manage risk?**

- Our key approach to supporting both ACPs and Scheme Participants is by providing you with the information you need to understand your requirements. We do this publishing guides, facts sheets and FAQs to our websites. We also run information sessions where participants can ask questions and sometimes provide on-demand videos. We apply this approach through regular activities on the scheme and in response to specific issues that may arise.

### **You say that we should work with a reasonable interpretation of the Rule. How do we know what a reasonable interpretation of the Rule is?**

- IPART publishes guidance on how we will apply the rule so you can see the principles in action. Examples of this include the various method guides and the ACP compliance guide. This guidance provides information you can apply to your unique circumstances. We also regularly discuss interpretation issues with stakeholders, and while we may not be able to provide specific advice, we can help point you in the right direction to help you understand what you need to consider to best inform your interpretation.

When in doubt, you may wish to consider independent legal advice or other professional advice.

## Heat pumps

### **What action is IPART taking to respond to the shopping list of problems identified with heat pump installations in IPART's March 2023 letter to ACPs?**

- In March 2023 we published information on reported concerns about the installation of heat pump hot water heaters. The intent of this information was to give the industry notice of the potential risks associated with the activity and to encourage businesses to adopt practices to minimise risks.

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We are continuing to focus on this activity which has been identified as one of our Compliance Priorities. This includes placing increased scrutiny on audits, providing additional support and guidance, and responding to complaints and taking escalated regulatory action as required. We have also been working closely with NSW Fair Trading to alert them to consumer issues or installation issues within their regulatory remit, and we are working the Office of Energy and Climate Change to help inform changes to policy setting that may be required.

## Compliance specific questions

### **Is IPART intending to ban telemarketing and doorknocking as the VEU is in Victoria?**

- There are no plans for IPART to ban telemarketing and doorknocking. We consider that industry wide regulation of telemarketing and doorknocking falls within the remit of other regulators or would be a policy decision.

However, where specific concerns are raised relating to the conduct of ACPs, such as non-compliance with conditions of accreditation or the Minimum Requirements of Conduct, we would have the ability to consider regulatory action on a case-by-case basis.

### **Does IPART check smart meter data to make sure that the claimed savings are delivered? How does IPART guarantee that 100% of the claimed savings are being delivered?**

- IPART does not routinely check smart meter data. We use a range of information to verify activities and ensure ACPs are complying with scheme rules depending on the nature of the activity. Many activities under the scheme are 'deemed' methods which do not require evidence of actual savings.

Other methods such as the Metered Baseline Method do require metering data to verify savings which is assessed by IPART on a case-by-case basis.

### **It's easy to doctor evidence and lighting designs. How do you guarantee the accuracy of the baseline power claimed?**

- We consider that manipulation of implementation evidence is a serious issue. We use audits as a key tool to verify activities and to ensure compliance with scheme rules. This includes examination of documents used as evidence to substantiate certificate creation. We also use our complaints handling process to identify and expose any instances where evidence is manipulated to distort claims for certificates.

Where we identify serious wrongdoing, we will escalate our enforcement response and may consider penalties, prosecution, imposition of conditions, suspension/cancellation of accreditations or referral to other enforcement agencies.

### **Regarding Table 6.1 of the PDRS Reducing Demand Using Efficiency method guide - if a site is a new building and an electrician installed an AC product without a meter box and electricity bill, is this compliant?**

- Table 6.1 of the Reducing Demand Using Efficiency method guide provides examples of the type of evidence that could be used to demonstrate that a Recognised Peak Reduction Activity occurred at a site connected to the electricity transmission or distribution network within NSW. The purpose of this requirement is to ensure activities reduce demand on the NSW grid (as opposed to an activity that may occur off the grid which would not have any demand reducing benefits).

In the hypothetical scenario given in the question, it would be open to an ACP to provide a form of evidence which demonstrates that the site at which the air conditioner is installed is connected to the grid.

However, it should be noted that activities undertaken in order to comply with mandatory legal requirements including compliance with BCA and BASIX may not be eligible as a Recognised Peak Reduction Activity (see clause 5.4 of the Peak Demand Reduction Scheme rule).

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**Please explain how you decide when to share acceptable ways of meeting evidence requirements, developed by ACPs, with all stakeholders (eg in guidance or possible FAQs on IPART website)**

- We aim to share general guidance to regulated entities to help them understand our approach. Where specific issues arise and become widespread, or we see trends, we will look to assist regulated entities by issuing FAQs or notices.

**Is there a consideration to increasing volumetric limits from 200,000 to 300,000 and beyond for long standing ACPS?**

- We are looking at the way we determine volumetric limits and will have more information on this in the new year.

**Luminaire power should be audit checked more often. The power being claimed is under reported for some upgrade luminaires.**

- We use audits as a key tool to verify activities and to ensure compliance with scheme rules. If there are alleged instances of 'underreporting' of luminaire power or other misrepresentations of factors that affect an energy savings calculation, these concerns can be reported to [ess.compliance@ipart.nsw.gov.au](mailto:ess.compliance@ipart.nsw.gov.au).

## Audits

**Can auditor fees be standardised?**

- IPART's role is to ensure that eligible auditors you can use under the scheme have the necessary qualifications to conduct reasonable assurance audits.

It is up to the ACP and auditor to agree on auditing fees. As different audits will have different levels of complexity it would be very difficult to set a standard audit charge that would cover all circumstances,

**How many audits tested glare in lighting upgrades using a third-party measurement assessment?**

- Audits are routinely conducted over certificate creation for commercial lighting projects carried out under the scheme. Audits are used to ensure compliance with the scheme rule including the relevant requirements of AS/NZS 1680. This includes maintained illuminance accounting for lumen depreciation, control of glare, and uniformity of illuminance. While IPART provides audit guidelines, to assist auditors, it is up to individual auditors to determine how they assess compliance with relevant Australian Standards.