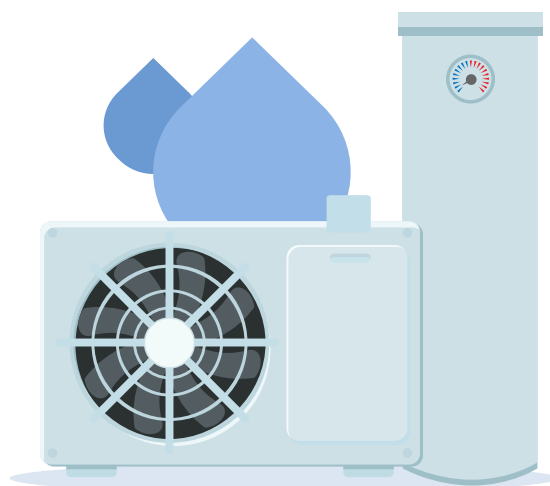


Thinking of installing a heat pump water heater?

Households and small businesses can get discounts through the NSW Government's Energy Savings Scheme (ESS) to replace old water heaters with efficient heat pumps. The ESS can lower the cost of upfront installation and ongoing electricity bills.



How does the scheme work?

Installers can give you a discount when they upgrade your system through the ESS. Accredited Certificate Providers (ACPs) create certificates based on the energy savings made from the upgrade. ACPs will either work with a third-party installer or do the work themselves. ACPs will later sell the certificates to fund the discount.

Who is eligible?

In NSW, households and small to medium businesses can get discounts under the ESS.

To qualify, you must replace an existing electric or gas hot water system with an approved heat pump hot water heater installed by a licensed installer.

The old system can't be reused, ensuring genuine energy savings.

Which heat pump is right for you?

Discuss your household or business needs with your installer before choosing a system.

A heat pump water heater draws heat from the surrounding air and uses it to heat water. Systems can be:

- integrated – tank, fan and compressor in one unit
- split – tank and compressor installed separately.

Energy savings

Heat pump water heaters use less energy, produce fewer emissions and cost less to run than traditional systems. Savings depend on your old system, electricity tariff, usage and local climate. In colder areas, an electric booster may be needed.

Size and location

Choose a tank size that meets your needs – too small and you may run out of hot water, too large and running costs increase. Installers should also consider airflow and local [noise rules](#) when choosing the location.



Cost

IPART doesn't set prices or the discount amount. Costs vary by system and installation complexity. Ask for quotes that include all expected and extra charges (such as valves, site preparation, electrical work and removing your old system).

Warranty

From 1 December 2025, systems installed under the ESS with a tank up to 700 litres must come with a 5-year warranty on the tank and heat pump. Check what's covered and choose a reputable supplier. If the supplier is overseas, they must provide an Australian contact.

How to get the discount?

1. Find installers and get quotes

Visit the NSW Energy's [Upgrade your hot water system](#) page to find local installers offering this discount. Contact them directly to ask about discounts, and shop around for the best deal.



You must make a minimum payment per heat pump. The exact amount is on our [website](#). Costs may be higher depending on the system or how complex the installation is.

Review all quotes carefully and choose the system that best meets your needs.

Note: Salespeople are not allowed to knock on your door uninvited to offer discounts under the ESS.

2. Sign a nomination form

Your chosen installer:

- should give you a quote that details the work and total costs. You can ask them to detail the discount.
- must provide you with a *nomination form*.



After you sign and return the *nomination form*, you'll get an upfront discount on the installation. Keep a copy of the form for your records.

3. Arrange installation

Qualified tradespeople will safely remove your old system and install the new heat pump. After the work is done, you'll be asked to sign a *Post Implementation Declaration* to confirm the installation met your needs.



If you're not happy

1. Speak to your installer first.
2. If it's not resolved, contact the ACP. Their details are on the nomination form you signed.
3. If you still have problems, contact NSW Fair Trading or Building Commission NSW.
 - [NSW Fair Trading](#) investigates unfair practices and makes sure products sold in NSW are safe and meet regulations. Their website has information on consumer rights, dispute resolution and making a complaint.
 - [Building Commission NSW](#) licenses tradespeople (like electricians and plumbers) and ensures they follow the law. Contact them if you have concerns about the work.
4. If you believe the ACP or installer has not complied with ESS rules or has not responded, contact us through our [Report misconduct](#) page.



An auditor may contact you to confirm details of your installation. Inspectors from IPART or Building Commission NSW may visit to check the work. Your cooperation helps keep the ESS fair and reliable.

Where to learn more?

✓ Heat pump hot water heaters

NSW Energy: [Upgrade your hot water system](#).

✓ The Energy Savings Scheme

NSW Energy: [Household energy saving upgrades](#) and [Household energy savings upgrades FAQ](#)

✓ IPART

IPART's [Things you should consider and Consumers](#) page.

- ✓ Scan this QR code to get the online version of this fact sheet with active links.

