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## Proposed Implementation of Mandatory Water Efficiency Labelling

Submission to the Ministry of Consumer Affairs, 10 August 2007

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### Background to IPENZ

The Institution of Professional Engineers New Zealand (IPENZ) is the lead national professional body representing the engineering profession in New Zealand. It has approximately 10,000 Members, including a cross-section from engineering students to practising engineers to senior Members in positions of responsibility in business. IPENZ is non-aligned and seeks to contribute to the community in matters of national interest giving a learned view on important issues, independent of any commercial interest.

### Executive Summary

IPENZ strongly supports all initiatives to promote water efficiency in a cost-effective manner. As noted in our submission to the Ministry for the Environment on *Product Stewardship and Water Efficiency Labelling – New Tools to Reduce Waste* (August 2005), we support moves to reduce water use at an individual household level. We consider that the effect of promoting low-volume showers, toilets and washing machines should not be underestimated in terms of avoiding the need to upgrade systems whilst maintaining public health.

We consider that the proposed labelling will not be difficult or onerous for manufacturers to comply with as long as there is a clear standard for what is required. We also consider that consumers should be kept informed on the proposed scheme and related issues, such as the benefits of reduced water consumption.

We do however note that it may take considerable time for the efficiency labels to have a noticeable effect as we believe that most consumers would retain ownership of appliances for around ten years.

We are happy to meet with the Ministry of Consumer Affairs to further discuss any of the points raised in this submission.

### Submission

IPENZ agrees that reducing water usage provides numerous benefits, and that there will be power savings for individual consumers. However, we are not convinced that the factors outlined in the discussion document (such as minimising carbon emissions) will be enough of an incentive to make consumers take the information provided on the proposed labels into account. We also note from the figures provided in the discussion document that more than half of the New Zealanders surveyed said that energy efficiency labelling made no difference or had very little influence on their purchasing decisions. Consequently, to ensure the labels are effective we recommend the proposed scheme is

implemented in conjunction with a public education campaign. Such a campaign might point out not only household energy savings, but also possible financial savings (rates) made by reducing infrastructure costs.

The summary of proposed regulations states that the proposed labels will provide consumers with information on both the absolute water consumption of the product and a comparative “star rating”. We disagree with this statement – we understand that it will provide the **maximum** possible use rather than the **absolute** use. For example, one of the most common washing machines is a derivative of the Gentle Annie, which only uses the amount of water necessary to cover the clothes. In comparison, the appropriate algorithm (as used in AS/NZS 6400:2005) calculates the star rating assuming the washing machine is full at each cycle.

The following are our responses to the discussion question prompts contained in the discussion document.

- ***Lead-in time***

We consider that a minimum of five months’ lead-in time is too short to allow for the testing, verification and practicalities of labelling (for those products that have not already been subject to this process due to the introduction of the Australian scheme).

We also note that while it is preferable that consumers would be able to access water efficiency information for older products this is unlikely to be practicable and could increase administration costs to an unacceptable level. We consider that such information is not necessary.

- ***Proposed testing regime***

We consider the proposed testing regime is reasonable, although we have concerns regarding the “absolute” use as outlined above. The main concern is that New Zealand manufacturers who have developed new and highly efficient technology (such as washing machines which calculate appropriate water levels according to weight) are likely to be tested at full capacity and consequently will not necessarily receive a more favourable rating. This could inadvertently discriminate against more efficient technology and New Zealand manufacturers.

In relation to the suggestion that manufacturers should have information on the water efficiency of their products on their website, we note that many of the products on the New Zealand market are imported and it is unreasonable to expect offshore manufacturers to comply with this requirement.

- ***Label placement proposals***

We consider that the proposed label placement is suitable. We recommend that more clarity be provided to specify what is considered “too small” and “readable”, particularly in relation to advertising material.

- ***Label information***

We consider that the information provided on the label is suitable. We also suggest that the “high-use” label is applied by default to all products where manufacturers have not carried out efficiency testing.

- ***Costs***

We are not convinced that the figures presented are comparable and consider that the methodology for these calculations needs to be presented before the discussion question can be answered. This should include a full breakdown of the costs

considered (for example, how calculations for future price of energy have been made) and the value that has been used to represent both a TJ of energy and Million L of water.

We also consider that a cost:benefit analysis for the implementation of this scheme should be made public.

- ***Voluntary declaration website***

We consider that it would be beneficial to create a website similar to the Fuelsaver website (for vehicle fuel efficiency information) to allow products to be easily compared.

## **Conclusion**

IPENZ strongly supports all initiatives to promote water efficiency in a cost-effective manner with the intention of reducing water use at an individual household level. We recommend that the proposed scheme is implemented in conjunction with a public education campaign. Such a campaign might point out not only household energy savings, but also possible financial savings made by reducing infrastructure costs.