

## WELS STRATEGIC PLAN 1 JULY 2016-30 JUNE 2019

### **Background**

Since 2005, WELS has been the national instrument for encouraging more efficient domestic water use. Labelling products with their water consumption changes purchasing decisions of water-using products and has driven both reductions in demand for water and competition amongst suppliers to reduce the water consumption of their products. The 2015 WELS Act review found that the scheme had met the objectives of the Act, including reducing urban water demand.

This document sets out the strategies and actions that WELS will take to deliver on the objectives of the WELS Act over the period of 2016-2019. This document is not a standalone statement of water or government policy and needs to be considered in conjunction with other policy documents including: Australian Government Guide to Regulation, Regulator Performance Framework, and the joint government response to the WELS Act review.

### **The objectives of WELS scheme are:**

- (a) to conserve water supplies by reducing water consumption;
- (b) to provide information for purchasers of water-use and water-saving products;
- (c) to promote the adoption of efficient and effective water-use and water-saving technologies.

### **Proposed strategies to deliver the objectives of the WELS Act**

#### ***Strategy 1 - Consumer information***

Providing consumers with water consumption information during the purchase of WELS products allows consumers to make a purchasing decision taking into account the environmental and economic impact of the product.

#### ***Strategy 2 - Industry cooperation***

Fostering positive engagement with industry delivers better regulatory decisions, reducing costs and increasing the availability of innovative water saving devices.

#### ***Strategy 3 - Governance***

Good governance of the scheme ensures that the scheme remains relevant, responsive to developing issues, maximises the benefits to consumers and reduces costs to the lowest practicable extent.

#### ***Strategy 4 - Compliance and Enforcement***

Increasing the labelling and consumer information compliance rate for WELS products ensures that purchased products match the consumption information, resulting in the realisation of projected water savings and increased consumer and industry confidence in the scheme.

## The second independent review of the WELS scheme (2015)

The second independent review of the WELS scheme was undertaken by Mr Tom Mollenkopf, the terms of reference and the review can be found at

<http://www.waterrating.gov.au/consultation/2015-wels-scheme-review>.

The reviewer consulted with a range of industry stakeholders of the scheme and concluded that the scheme is meeting its objectives and that there were some opportunities to further improve the efficiency of the scheme's delivery. The projects below are the implementation plan for the joint government response to the second independent review of the WELS Act.

**Table 1: Reform projects to implement review recommendations**

| Project   | Priority | Recommendation |
|---|----------|----------------|
| One Stop Shop Application process - WaterMark   | 1        | 6              |
| One Stop Shop Application process - E3  | 2        | 6              |
| Joint industry-government developed WELS Compliance Policy  | 2        | 3              |
| Revised WELS Standard (90% complete)  | 1        | 5              |
| Increase stakeholder engagement and communication (Regulator Performance Framework)                                       | Ongoing  | 4              |
| Examine options to improve the efficiency of service delivery and reduce business costs (Regulator Performance Framework) | Ongoing  | 5              |

## Budget

In managing the scheme expenditure the scheme will ensure that expenses are managed to achieve the 80:20 Industry:Government cost recovery target as the highest priority. Cost over runs should only occur where there is a specific operational need (e.g. critical maintenance or legal costs) that cannot be delayed until budget becomes available.

**Table 2: Projected budget**

| Year    | Projected industry fee revenue* | Total budget with government contribution |
|---------|---------------------------------|---|
| 2016-17 | \$1,390,000                     | \$1,740,000                               |
| 2017-18 | \$1,450,000                     | \$1,810,000                               |
| 2018-19 | \$1,510,000                     | \$1,946,000#                              |

\* Assumes continued 4% annual growth in registered models and a contribution from governments to achieve an 80:20 cost recovery ratio.

# Includes an additional \$66,000 from government as partial payment for the 2020 Review cost.