



Thursday 12th April 2018

Independent Review of the GEMS Act 2012 – Discussion paper submission

C/O Ms Anna Collyer

Appliance and Building Energy Efficiency Branch

John Gorton Building

King Edward Terrace

Parkes ACT 2600

Via email to: GEMSreview@environment.gov.au

RE: Independent Review of the Greenhouse and Energy Minimum Standards (GEMS) Act 2012

Dear Ms Collyer

Standards Australia welcomes the opportunity to provide this submission to the Independent Review of the Greenhouse and Energy Minimum Standards (GEMS) Act 2012. Standards Australia seeks only to respond to matters raised in the Discussion Paper that are relevant to our work as Australia's peak standards development body.

Executive Summary

Australian Standards underpin the technical infrastructure within the energy and electrotechnology sector in Australia.

Standards Australia remains committed to providing the agreed, consensus based and internationally aligned technical solutions to achieve the objectives outlined by government and pursued by industry. This is also to be accomplished in a way consistent with Australia's international obligations, including those outlined by the World Trade Organisation, and through a process tried and tested over nearly 100 years of experience.

Standards Australia facilitates the development of standards-based solutions for energy efficiency of products and has traditionally worked collaboratively with the GEMS Regulator to deliver these solutions, where they are an appropriate tool to support public policy objectives.

It is the view of Standards Australia that a coordinated and collaborative approach should be taken to address matters relating to energy efficiency of products.

Key points:

- Standards Australia is a long established partner of industry, government and community interests including consumers in the energy and electrotechnology sector, and specifically in the development of standards for energy efficiency of products.

- Our process is a well-established mechanism for developing standards that meet our international obligations under the WTO and the COAG Best Practice Regulation: A guide for Ministerial Councils and National Standard Setting Bodies principles.
- Standards Australia has been working towards greater efficiencies and effectiveness in standards development, with a focus on the contributor experience and project management practices. As a result we have seen significant improvements in the delivery time of projects.
- Standards Australia believes that opportunities exist to continue to work closely with the GEMS Regulator to develop synergies and further streamline processes between the standards and determinations development processes.

1. Standards Australia and the Electrotechnology and Energy Sector

Standards Australia has a long and proud history of engagement with the energy and electrotechnology sector in Australia. Specifically, we have long supported the development of energy efficiency, safety and performance standards for products. Standards Australia currently maintains a catalogue of over 300 national and international standards for energy reliant products ranging from lighting, through to household appliances and swimming pool pumps.

Additionally, the ability to use International Standards developed by the International Organisation for Standardisation (ISO) and the International Electrotechnical Commission (IEC) as part of a framework means less work, and lower development costs, in Australia and aligns with Australia's World Trade Organization (WTO) obligations with respect to technical barriers to trade.

We recognise the public policy challenges ahead, as Australia seeks to decarbonise its economy and lower our overall greenhouse gas emissions, in line with our international obligations. Whilst there are a number of levers across the sector that must be looked at to address these concerns, the energy efficiency of products is a critical (and in many respects simple) lever that government has available to help address these challenges.

Properly managed and well maintained technical standards act as a tool to meet public policy set through regulation and legislation. A sophisticated regulatory framework, supported by contemporary energy performance standards, is required in order to continue to support the objective of lowering greenhouse gas emissions in Australia and maintaining our international obligations.

2. Australian Standards and the GEMS Regulator

Standards Australia's involvement with energy performance standards development and adoption predates the GEMS Act and has been a critical mechanism for developing a national solution to minimum energy performance standards in a multijurisdictional environment for many years.

Under the current GEMS Act framework, Standards Australia has continued to work with the GEMS Regulator and all other relevant stakeholders through the Equipment Energy Efficiency (E3) Program to develop and maintain both minimum performance standards as well as test method standards for a variety of products.

Our standards setting system:

- Aligns internationally;
- Meets COAG Best Practice Regulation: A guide for Ministerial Councils and National Standard Setting Bodies principles;
- Is trusted by industry in Australia; and
- Is responsive to government priorities

There are opportunities which we are discussing directly with the E3 program team, to create further synergies and streamline processes between the GEMS determinations process and our standards setting process in order to deliver more efficient and timely solutions to government and industry stakeholders alike.

We remain committed to this relationship and to maintaining a collaborative and constructive relationship with the GEMS regulator.

3. GEMS Determinations and Standards

Standards Australia recognises the Discussion Paper's acknowledgement that both national and international standards are at times referenced in GEMS determinations.

Standards Australia also acknowledges that, sometimes, the GEMS determination pathway is the most appropriate policy approach to delivering the desired outcome to the market.

However, where instances arise where relevant Australian or International Standards can provide a technical solution in parallel to a GEMS determination, we believe that there are opportunities to work more collaboratively and closely with the GEMS regulator in order to streamline our processes, methods of stakeholder consultation and identify priorities and joint actions.

Section 4.2 of the Discussion Paper highlights the time challenges to develop standards and determinations and the negative impacts that this can have on market innovations. This is not a challenge unique to Standards Australia; it is a challenge in the setting of any set of rules to manage activity in markets. The performance based nature of our process goes a long way towards addressing this concern as does the government's proactive approach to the management of regulatory footprints in an area like energy efficiency.

Standards Australia has been working towards greater efficiencies and effectiveness in standards development, ensuring an increase in productivity both internally and externally, with a focus on the contributor experience. As a result we have seen significant improvements in the delivery time of projects.

In our view, Standards Australia efficiencies together with greater collaboration with the GEMS Regulator will continue to streamline the standards and determinations processes to bring further productivity to the system.

There are some processes, however, where Standards Australia (and GEMS more broadly) must align with International WTO Rules and the COAG Best Practice Guide.

All Australian Standards must be:

- subject to a clear project proposal with a defined scope, clear stakeholder support and a demonstration of positive net benefit to the Australian community prior to commencement;
- subject to a mandatory 9 week public consultation period, in line with international requirements under the WTO, prior to publication; and
- developed collaboratively with all stakeholders.

The perceptions of some industry stakeholders regarding a lack of clear stakeholder engagement as part of the GEMS determinations process could be easily managed through the Standards Australia process or one built around the same principles.

4. Our International footprint

At an international level, Australia is a participating member of a number of committees at both ISO and IEC that are focussed on energy product performance standards.

This aligns with the commentary at **Section 3.3** of the Discussion Paper, where the policy intent of harmonisation with international performance and test method standards set out.

As the Australian member to both the ISO and IEC, Standards Australia is uniquely placed to facilitate and support Australian participation in any number of international technical committees that may be relevant to the objectives of stakeholders. Australia's contributions to these international committees and adoption of international standards allows not only for the alignment of Australian policy towards that of the international community, but also allows Australian stakeholders the opportunity to shape and influence international standards to ensure they are suitable for the Australian context. The unification of the Australian and global approach enables Australia to better prepare for future challenges.

5. Conclusion

Standards Australia believes that there are further opportunities to partner with GEMS Regulator to create greater efficiencies and synergies between the standards and the determinations development processes. We believe that there should be consideration of the extent to which these two processes can be run in parallel. Furthermore this should include whether there is an opportunity to clarify the criteria where a standards or a GEMS determination is the most appropriate mechanism. Failure to do so may result in further inefficiencies.

Where Australian Standards can offer an appropriate policy and market solution, Standards Australia remains committed to support the development of consensus-based standards to

this end. We remain a committed partner of the GEMS Regulator, the Australian Government and COAG and look forward to continued constructive engagement.

We look forward to further discussions with government through this review process.

6. Further contact

For further questions in relation to this submission, please do not hesitate to contact Simona Tomevska, Stakeholder Engagement Manager, on 02 9237 6116 or via email at: simona.tomevska@standards.org.au

Yours sincerely

A handwritten signature in black ink that reads "Bronwyn Evans". The signature is written in a cursive, flowing style.

Dr Bronwyn Evans
Chief Executive Officer

Appendix A

About Standards Australia

Standards Australia is the Australia's peak, non-for-profit standards development organisation. We are a non-government organisation, and have an existing Memorandum of Understanding with the Department of Industry, Innovation and Science which outlines our roles and responsibilities, but also our function as Australia's peak Standards Development Organisation.

Standards Australia is the Australian member to the International Organisation for Standardisation (ISO) as well as the International Electrotechnical Commission (IEC). We are also a Partner Standardisation Body (PSB) with the European Standardisation Organisations (CEN-CENELEC), where we have an opportunity to partner on relevant technical committees where harmonisation with the European market is beneficial.

Our core responsibility is the development of voluntary, consensus based Australian Standards, as well as other voluntary lower consensus guidance documents. Through our membership at the ISO and IEC, we are also involved in the development and adoption of international standards.

Standards Australia publications act as a tool for public policy delivery, where appropriate, and can be referenced in regulation, legislation or contract. Standards Australia has no regulatory or legislative authority, and does not undertake any conformity assessment or certification activities.

Australian and international standards serve to enhance the nation's economic efficiency, improve our international competitiveness and meet the community's demand for a safe and sustainable environment.

How Standards Australia develops standards

Standards Australia develops national standards, and adopts international standards through a consensus process in constituted technical committees. These technical committees are constituted by organisations which represent the interests of affected stakeholder categories that have an interest in the standards being developed. These nominating organisations comprise of industry, government, regulatory, research and consumer organisations.

Any stakeholder can propose to develop a standard, and if approved, is allocated to the appropriate existing technical committee, or for new areas of technical activity, a new committee is constituted. Standards Australia assesses projects on the basis of 'Net Benefit' to the Australian community, and this is determined through 5 broad criteria; public health and safety impacts, social and community impacts, environmental impacts, competition impacts and economic impacts.

Standards Australia utilises a consistent project development methodology for each project. This process includes project approval, project kick-off, drafting, public consultation period, committee ballot and ultimately, pending a positive consensus outcome after balloting has been finalised, culminates in the publication of the standard.