

Ms Anna Collyer
Independent GEMS Act Review
GEMSreview@environment.gov.au



19 December 2018

Re. Review of the Greenhouse and Energy Minimum Standards Act 2012 – Draft Report

Dear Ms Collyer

Thank you for the opportunity to provide a submission on the Draft Report of the Independent Review of the *Greenhouse and Energy Minimum Standards (GEMS) Act 2012*.

The Energy Efficiency Council (EEC) is the peak body for energy efficiency, demand management and cogeneration in Australia. Our members include energy efficiency providers, independent experts and various levels of government.

Rather than provide detailed comments on the recommendations in the Draft Report, the EEC:

- **Strongly supports the continuation of minimum energy performance standards and labelling requirements for appliances.**

While there are varying estimates of the costs and benefits of the GEMS program, all of the estimates have indicated that the program delivers significant benefits to the Australian community. The Department of Environment and Energy estimates that the GEMS program saves the average Australian household between \$140 and \$220 on their electricity bill each year, delivering a net benefit to consumers of between \$5.1 and \$11 billion between 2015 and 2020. The program also delivers benefits to the manufacturing sector by providing a level field and clear directions while minimising the risk of local manufacturers being undercut by poor-quality products.

- **Recommends that E3 committee monitor our major trading partners' appliance standards and periodically raise Australian standards to be in line with leading overseas standards.**

Australian manufacturers and consumers would significantly benefit if Australia more actively harmonised its standards with major trading partners like the US, Europe and China. This could be done by setting a trigger in the GEMS act to review Australian standards when they are raised in the US, EU or China. The benefits of this approach are demonstrated by Canada, which increased the minimum energy performance standards for 20 products in 2016 to bring them into line with standards that were already in force, or soon to be in force, in the US. These changes to Canadian standards were estimated to deliver around AUD\$ 1.6 billion of net benefits to Canada, including reducing the need for Canadian manufacturers to produce products for multiple markets.

- **Strongly opposes the proposal by the Lighting Council of Australia that minimum energy performance standards for appliances should be required to be developed by consensus, similar to the Standards Australia approach.**

A requirement for consensus would enable a single stakeholder to oppose the development or tightening of standards that could deliver substantial benefits to consumers. This proposal is clearly unacceptable, and should be treated accordingly.

- **Strongly opposes automatic sun-setting of appliance standards**

Given that the cost of an appliance standards (determination) generally declines dramatically as producers improve their products to meet a standard, and the benefits continue, there is no sound rationale for automatically sun-setting appliance standards (determinations).

- **Recommends ensuring better consultation with consumer representatives**

The current process for consultation on the development and enforcement of product standards (determinations) results in under-representation of the views of consumer advocates and therefore over-representation of the views of regulated parties (e.g. manufacturers). The EEC strongly advocates that the E3 program hold its meetings to coincide with other events (e.g. the National Energy Efficiency Conference and Energy Consumers Australia forums) and consider provide ongoing funding to consumer groups to attend consultations and make submissions.

- **Recommends properly resource the development and enforcement of product standards**

The EEC looks forward to engaging with you and your Review Team to discuss these recommendations in detail. For further information please contact me on rob.murray-leach@eec.org.au or 0414 065 556.

Yours sincerely



Rob Murray-Leach
Head of Policy
Energy Efficiency Council