



Senator Karen Grogan
Chair
Senate Standing Committees on Environment and Communications
Parliament House
Canberra ACT 2600

Submitted electronically

6 July 2023

Dear Chair,

Re: Inquiry into the *Greenhouse and Energy Minimum Standards Amendment (Administrative Changes) Bill 2023*

The Energy Efficiency Council (EEC) welcomes the opportunity to comment on the Greenhouse and Energy Minimum Standards Amendment (Administrative Changes) Bill 2023. The Energy Efficiency Council is Australia's peak body for energy efficiency and energy management.

The EEC strongly supports Australia's Greenhouse and Energy Minimum Standards (GEMS) framework, which is estimated to have delivered emissions reduction of up to **79 Mt CO₂-e** between 2000 and 2020, while providing net savings to consumers of up to **\$19 billion**.¹ The EEC supports the intention of the proposed amendments to the *GEMS Act 2012* reduce administrative complexity and streamline the GEMS process. The GEMS regime is a perfect example of the benefits of well-designed regulation - both protecting consumers from the worst-performing appliances, and providing consistent, clear information to assist consumers in making decisions about the most suitable equipment for them.

Several of the proposed amendments to the *Act* are designed to ease the compliance burden by permitting the GEMS regulator to designate alternate requirements to demonstrate compliance with the Australian requirements. Creating more flexibility in compliance, while preserving the rigour of standards, is a way of helping lower the regulatory compliance costs associated with GEMS, and hence making it possible for a wide range of manufacturers to supply products to the Australian market. This represents a triple win – consumers can access a greater range of energy efficient appliances; compliance costs are reduced for suppliers, and the benefits that accrue to the community through the GEMS regime are accessed at a lower overall cost.

The EEC is keen to see the GEMS regime expanded, and more products be brought within its purview at the earliest available opportunity. Minimum energy performance standards and energy performance labelling are known to be highly effective methods for reducing energy usage while saving consumers money and delivering a host of benefits to the community, including lower energy system costs, lower greenhouse gas emissions and a raft of improved health and environmental outcomes. In fact, if the rest of the world had matched the long-running standards imposed of the EU and the US – which deliver around 15% annual reduction in electricity consumption – the result

¹ Collyer, A, 2019, [Independent review of the Greenhouse and Energy Minimum Standards Act 2012](#), Australian Government, Canberra, p.16

would be reducing global electricity consumption by an amount equal to around half of China's annual consumption.²

In particular, the EEC recommends that the GEMS framework be amended to provide the ability for rapid adoption of suitable international minimum energy performance standards. Rapid adoption of suitable international standards helps reduce barriers to market entry for efficient products, and permits harmonisation of trade requirements, ultimately benefiting the consumer and the community.

Further, the EEC recognises the recent provision of additional funding for the GEMS regime. There is currently a backlog of priority equipment for consideration for either creating new performance standards, or revising older standards, for equipment that will be important in Australia's energy transition. Ensuring that new, low-emissions technology is relatively efficient will both save consumers money, and help expedite the transition through lowering energy demand.

The GEMS framework is an important and long-standing part of Australia's emissions reduction efforts, and also plays a critical role in reducing energy bills for all Australians. The EEC strongly supports efforts to ensure GEMS continues to achieve these objectives into the future.

Yours sincerely,

Alex St John
Acting Head of Policy
Energy Efficiency Council

² International Energy Agency 2021, [*Achievements of Energy Efficiency Appliance and Equipment Standards and Labelling Programmes*](#), IEA, Paris, p.6.