



AUSTRALIAN INDUSTRY

G R O U P

**Ai Group Submission**

in response to the

***National Legislation for MEPS and Energy Labelling  
Draft Greenhouse and Energy Minimum Standards (GEMS) Bill  
Industry Consultation Paper, August 2011***

**August 2011**

## EXECUTIVE SUMMARY

The Australian Industry Group (Ai Group) welcomes the opportunity to comment on *Industry Consultation Paper, National Legislation for MEPS and Energy Labelling, Draft Greenhouse and Energy Minimum Standards (GEMS) Bill*.

Ai Group's response to the *Consultation Paper* builds on our earlier responses to the Discussion Paper in September 2009, *Consultation RIS* in March 2010, *Mandatory Advertising of Energy Rating Labels* in August 2010, *Supplementary Discussion Paper on Compliance Obligations and Enforcement Measures* in August 2010 and is based on substantial consultation with industry through Ai Group's networks.

Ai Group welcomes the undertaking of the *GEMS Bill Industry Consultation Paper* and is broadly supportive of the proposed move to nationally consistent and efficient regulation of minimum energy performance standards (MEPS) and labelling requirements encompassing a rationalisation of existing regulations in the various government jurisdictions.

It is essential that outcomes from a move to national legislation benefit all stakeholders: industry, community, environment and government. Importantly, Ai Group supports the objectives of national legislation to provide a vehicle for expanding the MEPS and energy labelling program to improve the energy efficiency of appliances and equipment only where this is proven to be the most appropriate and cost-effective means of addressing market failure.

In this submission, Ai Group raises a number of concerns in relation to the discussion paper including:

- Proposed limitation of Grandfathering provisions to 2 years which will be unnecessarily burdensome on equipment suppliers;
- The proposal that the Minister set the GEMS level requirements using a GEMS determination;
- Overriding of standards developed within Standards Australia and its framework;
- Proposals for annual reporting on the national import, sales or supplies for each registered model - data should be collected from registrants only where DCCEE justifies this on a case by case basis and only over a specific reporting period;
- Need for clarification of the proposed application of criminal penalties;
- Limited test facilities for conduct of alternative tests for some product categories as requested by the Regulator;
- Need to ensure that the Regulator is appropriately resourced; and
- Need for increased enforcement activities in areas such as non-compliant motors attached to mechanical equipment and now imported into Australia in large quantities.

## **RESPONSE TO THE GEMS BILL INDUSTRY CONSULTATION PAPER**

Ai Group broadly supports the objectives of the new legislation:

- To capture and streamline existing administrative and compliance arrangements of the E3 program;
- To introduce new features to improve national consistency; and
- To allow for the coverage of a wider range of products and equipment types.

### **Support for National Legislation**

Ai Group supports the COAG proposal through the National Strategy on Energy Efficiency (NSEE) to develop national legislation for equipment energy performance standards and energy labelling.

### **Expansion of the existing Equipment energy Efficiency (E3) program into new product areas**

Ai Group supports the expansion of the E3 program into new product areas only where this is proven to be the most appropriate and cost effective means of addressing market failure.

### **Section 15 – Supplying GEMS products (grandfather arrangements)**

Regulating at the time of manufacture is more efficient and cost effective than regulating at other points in the supply chain. Regulating at retail level is particularly problematic and requires considerable transition times (preferably indefinite) to provide for orderly transitions in the market place, least cost and maximum market certainty.

Ai Group believes that the proposed Grandfathering provisions of 2 years, as proposed in Section 15(2)(c)(iii), will impose losses and excessive administrative burdens on equipment suppliers. In addition to E3 running costs, equipment suppliers will incur costs associated with estimating the number of grandfathered products in the market and applying for extensions, or alternatively, the costs of sending superseded equipment to the waste management stream. As per our submission to the “Supplementary Discussion Paper on Compliance Obligations and Enforcement Measures”, Ai Group suggests a reasonable compromise position is for grandfathered products to be taken off “public display” 24 months after a change to MEPS requirements. The product should still be able to be sold legally as per existing grandfather provisions (indefinitely) and there would be an additional incentive for the retailer to sell out grandfathered stock.

Ai Group strongly believes that the period proposed in section 15(2)(c)(iii) should be amended to allow, in general, an indefinite grandfathering period.

Ai Group believes that the vast majority of equipment suppliers strive to place current standard, compliant equipment onto the market. Rather than imposing excessive burdens on all industry, legislative provisions should focus on appropriately targeting stricter provisions towards the minority suppliers where there has been identified instances of misuse of grandfathering provisions. For example, the exception of Section 15(3) could be used where the regulator has specific evidence that individual suppliers have stockpiled equipment in the lead up to a previous change in MEPS level. The regulator should warn individual suppliers and then use the exception of section 15(3) to impose tighter grandfather periods (down to 2 years) when a MEPS level changes again (not retrospectively). This would allow the MEPS regulator to target specific suppliers who abuse the system. All equipment suppliers should not suffer losses based on the actions of a few.

While Ai Group supports the options under section 15 (3) to extend or reduce the grandfathering period, we are very concerned at the possibility that a grandfathering period could be reduced to zero and seek clarification of the circumstances under which this option would be used.

Companies do not have resources available to be continuously trying to work out how many products may be in the retail supply chain and then asking for sufficient time to sell through that product. Equipment suppliers **do not and cannot control retail sales** and should not be held accountable for retail market fluctuations, meteorological fluctuations (causing poor sales of seasonal products) or the actions of retailers to either promote or not sell their products.

The option for registrants to ask for an exemption will create another layer of bureaucracy that will not result in any lowering of GHG emissions and be a burden on industry. Additionally, the perverse outcome from an extension not being granted is that products will be sent to the waste management stream.

Industry is concerned that if a grandfather period of 2 years is implemented retailers will seek to return products to manufacturers just before the 2 year period ends. Equipment suppliers do not have access to retailer stock level information and would be forced to seek a grandfather period extension from the GEMS regulator in order to resell those products, without knowing the actual numbers of products left in the retail supply chain. It is possible that multiple extensions may need to be sought. This will add to the administrative burden on equipment suppliers and add to the number of government resources needed to run the scheme without benefit to the environment.

Including shipping lead times to major distribution centres, it is not uncommon for products to remain within the manufacturer's own supply network for at least 12 months. This period can be longer for carry over seasonal product lines which may be held over in distribution centres until the following year if unsold into the retailer network.

Stock sold to retailers may remain in a retail chain distribution warehouse or on the retail shop floor for a further undefined time. The period that a retailer holds their stock is not able to be controlled by

product manufacturers and it is not uncommon to see stock on display that has remained unsold for more than 12 - 24 months. Retail sales are dependent on consumer demand, can be seasonal and have been widely reported as being in decline for at least the past 12 months.

The percentage of products left in the market 2 years after a change is MEPS is small. Stock sell out when plotted as a graph of sales over time will approximate a bell curve distribution. The majority of sales occur within a short time of release to the market, however, the last 1 – 2 % of products can trail out for an extended period. For example, an exercise conducted by an electrical equipment manufacturer some years ago found there were a number of products that remained unsold at retail level, 4 years after being sold by the manufacturer. Audits undertaken by state regulators have occasionally found products that have remained at retail level for over 7 years.

Ai Group highlights the following examples of regulatory practice where sufficient time was / is allocated to allow industry to implement changes in regulatory practices:

- The Australian Communications and Media Authority are currently proposing to consolidate their existing marking requirements (C-Tick, A-Tick and RCM) and move to a single regulatory compliance mark (the RCM). Considerable consultation with industry has taken place from 2009 with the new arrangements expected to be implemented on 1 July 2012. A transition period of three years (until 2015) will allow manufacturers 3 years to move to the RCM at the point of manufacture. In addition, product manufactured and marked with the C-Tick or A-Tick before 2015 will be able to be “Grandfathered” (sold through at retail level) indefinitely.
- Insulated plug pins – State and Territory electrical safety regulators allowed a 6 year transition time for insulated plug pins to be required as mandatory at any point in the supply chain. This time frame was necessary to allow retail sell through of existing stocks.
- The Electrical Regulatory Authorities Council Electrical Equipment Safety System proposes to harmonise existing state electrical safety legislation and regulation and move to a common compliance mark, the RCM. Electrical regulators acknowledge that manufacturers cannot control the sell through of existing products at wholesale and retail level and have conceded to allow 5 years to sell out existing marked products.

### **Sections 18 & 19 Using GEMS products for commercial purposes**

Ai Group supports the move to regulate commercial use of GEMS products where there is no sale event. This will capture equipment that is currently unregulated and in some market segments (eg motors) supplied in numbers as large if not larger than the regulated portion of the market.

Extension of MEPS requirements to commercial use must be supported by extensive promotion and education given that many businesses may not be aware that the equipment they are importing is subject to a GEMS determination. Currently one would have to actively seek out such information as

it is not actively publicised. Ai Group suggests cooperation with the Australian Customs Service to identify commercial use and third party mechanical equipment importers so that a much needed program of education and enforcement can begin.

#### **Part 4 (Sections 23 – 37) – GEMS determinations**

Ai Group strongly disagrees with the proposal in the draft Bill that the Minister set the GEMS level requirements using a GEMS determination. Ai Group believe that the Standards Australia technical committee is the appropriate forum to make final decisions on what is technically possible in product performance.

The lack of information around the proposed process leading up to a determination is very concerning. Ai Group is further concerned that the effect of Part 4 of the proposed Bill is to exclude industry and community involvement in the decision process. This process is fundamental to how product compliance systems, like electrical safety, continue to operate in Australia. The Australian standards writing process allows technical experts from various viewpoints and organisations to come together to meet an agreed outcome, through a process involving public consultation.

Given recent experience of flawed consultation processes in which there was poor engagement with industry or industry input was effectively ignored, industry questions the ability of Departmental staff without technical expertise and consultants to set performance levels with implementation timetables. Ai Group seeks confirmation that the process of setting GEMS levels will be set in a transparent manner and involving full consultation with industry.

The technical experts who can best estimate what is possible to achieve with new technology and new efficiency levels are the manufacturer engineering managers who sit on appropriate Standards Australia technical committees.

Further, while Ai Group supports a carefully coordinated move to international standards over time, many of these standards are unsuitable for use in Australia in their current form. For example the ISO standard for refrigerators is not satisfactory for Australia which is why the Australian government has allocated funding for the development of this standard. Similarly the international standard for clothes washers does not currently have a load test that reflects typical user loads and so will not give an accurate energy usage figure (important to consumers today). Conversely, there are no motors manufactured in Australia and all relevant motors are manufactured to IEC standards. Australian MEPS for motors should line up with IEC standards so that motors need not be manufactured specifically for the Australian market and are at least cost.

Ai Group is concerned about how some of the measurements will be made and what involvement industry will have in determining measurement methods - for example how will greenhouse gas emissions be measured and will this include entrained emissions? Also, the effect of a product on the

amount of energy used by other products is dependent on the connection methods, installation methods and test methods used. These are specialist technical areas that should be determined by Standards Committees.

### **Section 27 GEMS labelling requirements**

Ai Group is also concerned about the proposed labelling requirements. Specifically in regard to motors, it has almost got to the point that some motors will require a second rating plate to covering all labelling. With ACMA regulatory marking, electrical safety marking, efficiency data, standard marking requirements etc, rating plates have almost reached capacity. This is all an extra cost to Australian importers that has to be passed onto industry. Again motors imported as part of third party equipment will invariably not comply and will not be subject to the extra cost (as mentioned under enforcement below).

### **Section 28 'other requirements'**

The 'other requirements' of Section 28 could be interpreted to be very broad - i.e. requirements relating to the impact of products on the environment or the health of human beings, and performance. Such a broad definition would include electrical safety, gas safety, and mechanical safety. Are GEMS determinations intending to regulate in these areas?

### **Section 33 – when a GEMS determination comes into force**

Ai Group has significant concerns around the date of implementation of GEMS determinations. Firstly, dependant on ministerial and government priorities, it is unknown when a minister will announce a determination. Secondly, the three month "or some later day" timeframe for implementation is too short, or uncertain, to provide industry with the confidence needed to agree with this proposal.

A published technical standard is needed in order to provide the certainty needed for factories to allocate the resources necessary to produce new products. Draft standards and government statements are proven to be unreliable documents on which to base new product designs.

Ai Group highlights that three months is not a long enough period to plan and allocate design resources, design, prototype, test, modify, re-test, organise component purchasing, lead times for component delivery, schedule manufacturing, re-arrange factory processes, manufacture, transport to market. Also, the MEPS levels are at the point where new technology and theoretical designs are needed. The implementation of new technologies and theoretical design into finished products takes longer than modifications to proven designs.

Ai Group states that a minimum of three years is needed in order to bring new designs to market to meet new MEPS levels. Other markets are able to provide at least this time frame certainty for their industries.

Product development time for appliances is a complex issue, encompassing many elements. It is too simplistic to consider the effect of energy efficiency changes in isolation. It is an important input on some types of appliances, and not so important on others.

As an example, at Electrolux, products are developed according to a disciplined series of check points that encompass Strategic marketing needs, Consumer Opportunities, Primary Development, Product development, Product Marketing Launch and Phase Out. Energy Efficiency is only one of many inputs. The process is controlled by a Generation Plan that looks five to ten years in advance. Within this plan, items are considered in groups - for example, modifications to existing products, new products with updated tooling or new platforms. A new platform must be planned at least five years in advance.

If we take an example of new MEPs for refrigerators, the opportunities to have a significant improvement by using more efficient components are very limited. That means, fundamental changes to insulation thickness. The consequence is less volume for a given cabinet size - with revised components such as evaporators, ducts etc. So it is a new product at least, and more likely a new platform. A manufacturer will not disadvantage his market position by making a smaller internal cabinet than necessary, so no changes will be made until there is certainty of new regulations.

Typically, when new MEPS levels are confirmed, the detailed design process can begin. Simulation is used, but in the end, testing on prototype units is required to verify performance. Even an accelerated program would take 6 to 12 months to reach this stage. Then final design can be firmed and costs estimated accurately. At that point specifications are frozen and tooling can begin. Tooling typically takes 6 to 9 months, and then reliability and final performance testing can be conducted. This process takes 3 to 6 months. Then procurement of parts is undertaken and production can begin. To then ship and distribute products for release is another 2 to 3 month process. The total time to market (TTM) is therefore between 20 and 36 months.

In Electrolux's 2010 annual report (page 36), reference is specifically made that "The time to market (TTM) differs between regions. For example TTM in Brazil is only about 18 months". This is evidence from a major global supplier that at least 18 months is needed to develop new products.

#### **Section 42 – Applicant requirements for registration**

Regarding the requirement for a contact person to be nominated, Ai Group suggests that various contact channels (eg email, mail, fax) to the applicant should be used if initial contact is not able to be

made to the nominated contact person. When the contact person leaves an organisation and before an alternative contact person is nominated, email messages may not reach an appropriate contact. Also, emails can be misdirected or filtered out by security software.

### **Sections 49 to 53 Suspending registrations**

Ai Group does not agree with the draft sections 49 – 53 to suspend registrations indefinitely while the Regulator is investigating suspected non-compliance.

However, Ai Group does agree with the GEMS regulator having powers to investigate further if non-compliance is suspected. The regulator should have the ability to:

- Send a warning letter to the registrant stating that non-compliance is suspected. If they continue to sell and they are found to be non-compliant then there is a risk that further action and compensation may be required by the ACCC and DCCEE.
- Ask for the registrant to consider voluntary stop sale. The registrant would then need to analyse their risk of continuing to sell.
- Ask the registrant for a test report from a NATA test laboratory.

Suspending without allowing the registrant the opportunity to provide the GEMS regulator with sufficient test report information is not seen to be appropriate and fair. It may take some weeks or months for test laboratories to have space available to perform testing.

If the suspected non-compliance is not a safety issue (a threat to life) then suspension on the grounds of suspicion is totally inappropriate.

Ai Group would like to discuss this point further because we need to understand:

- Why does the GEMS regulator need the power to suspend?
- What is the consequence of removing the draft suspension inclusions (Sections 49 – 53)?
- What advantages does leaving the suspension requirements in the Bill give to the GEMS regulator and the registrants?

Ai Group can see no advantages to the inclusion of this 2 step process of suspending and then cancelling a registration. The GEMS Regulator should be sufficiently resourced to investigate, in a timely manner, suspected non-compliance and then either cancel a registration or not depending on the outcome of investigations. Ai Group is concerned about the possibility of arbitrary decisions based on false suspicion that would have commercial implications.

### **Section 55 Requirement for registrant to notify GEMS regulator of changes**

The requirements of section 55 for a registrant to inform the GEMS regulator as soon as reasonably practicable when registration information is incorrect or contact person details change is supported.

However, Ai Group believes section 55(1)(c) requires further clarity and we would agree that further contact with the GEMS regulator should only be required where modifications to a product cause it to become non-compliant or efficiency performance is decreased.

### **Section 56 - Requirement for registrant to give information relating to import, manufacture etc of products**

Ai Group realises that Section 56 proposes to give the GEMS regulator additional power to ask registrants for data relating to the manufacture, import, supply or export of particular product models. The legislation does not require mandatory reporting of data relating to all registered product models all the time.

Ai Group points out, that, when applied, Section 56 will be an additional cost and regulatory burden for industry and so is not aligned with one of the 3 main objectives of the scheme to streamline administrative arrangements. Ai Group is not convinced of the need for data collection and questions the usefulness, accuracy and confidentiality governance of such data. This additional regulatory burden has not been justified and Ai Group would like answers to the following questions before agreeing that Section 56 is a justifiable inclusion in the GEMS Bill:

- How will the data be used by the GEMS regulator?
- How will the GEMS regulator ensure the data supplied by the registrants is valid?
- How much it will cost industry and the GEMS regulator to obtain the data, analyse it, store it and confirm it is permanently maintained as confidential.

Ai Group suggests a suitable amendment to the GEMS Bill would allow Section 56 to be applied only when there is a clear and demonstrated need for such data to provide the information necessary to develop correct policies. Also, there should be a data accuracy requirement so that the data can be relied upon to implement correct actions and policies.

If, overall, data reporting is justified, Ai Group makes the additional point that Section 56 should not be allowed to be applied in a blanket fashion to all product categories and justification should be provided by the GEMS regulator for applying Section 56 at product “type”, “class” or “model” level. Ai Group suggests Section 56 should only be applied:

- Over a specific length of time, specific period and specific product type, class or unit in order to develop accurate policy or fine tune monitoring, surveillance and compliance activities;
- To annual reporting periods in order to minimise reporting requirements;
- Where a justified case and specific purpose exists.

The GEMS regulator should discuss and agree with industry suitable methods that should be used by businesses to arrive at reportable figures. Some businesses may take the task of reporting seriously (spending considerable time) whilst others may not (and speculate).

## **Section 57 Requirement for registrant to give product of registered model**

Regarding Section 57(2)(b), Ai Group wonders why it would not ever be practical for a GEMS inspector or test lab to purchase a product?

Ai Group believes that a registrant being out of stock of the requested model should be a legitimate defence to not being able to supply a product in the required time.

Ai Group acknowledges that the GEMS regulator will only keep products for as long as is required for the purposes of determining whether the model complies or not and the regulator will take reasonable steps to return the product.

### **Registration fees**

The \$500 registration fee across product types is a cost that will have to be passed onto the consumer.

Motor suppliers state that this is an example of inequity if enforcement is not increased on motors imported as part of additional OEM equipment.

## **Section 62 Applications – GEMS Regulator may request further information**

Section 62(2) can require that additional tests may be required to be conducted by authorised test laboratories.

Ai Group acknowledges that the regulator should have the power to require additional test reports from approved laboratories where there is a history of failures. Additionally, Australian motor suppliers make the following points.

Australian motor suppliers import motors from overseas manufacturers, none of which have a laboratory in Australia. These manufacturers usually have their own test laboratories, some of which are cutting edge in technology. They are however not NATA approved, for NATA does not have a strong presence outside Australia. It should be stated that tests conducted in the manufacturer's laboratories are acceptable.

The danger of not having such clarification or on leaning towards using NATA approved labs is:

- a) There are only two such laboratories in Australia. They have neither the capacity nor the low cost required to conduct large scale testing of motors.

- b) The cost of doing such registration-mandated tests by other labs than the manufacturer's own labs would be prohibitive, creating a significant shift in market prices and making Australian industry uncompetitive.
- c) The time required to have such tests carried out by NATA approved laboratories may be years depending on the backlog.

## **Part 7 (Sections 77 – 135) Monitoring and Investigation**

Ai Group agrees with the powers proposed to be given to GEMS Inspectors to monitor and investigate as outlined in Part 7 of the Bill. We realise that division 4 and 5 set out standard powers for Commonwealth authorised officers as per the latest Commonwealth Criminal Code, however we would like clarification as to whether GEMS inspectors and person assisted them will be able to use force (Refer sections 89 & 107) or whether the state or federal police will need to be involved when force is required?

### **Transitional Arrangements**

The proposed transition arrangements will require registrants whose state-based registrations were due to expire after 1 July 2013 to apply for 'formal registration' under the GEMS Act during the one-year transition period commencing from 1 July 2012. According to the consultation paper, the application would need to include any further information required under a GEMS registration (that was not provided at the time of registration under state law) and a declaration of compliance with the Commonwealth GEMS requirements. Formal GEMS registrations for these applicants would be granted for a period ending five years from the date of the original state-based registration.

Ai Group is concerned about the additional effort required by industry to comply with these proposed arrangements. Given that all existing registrations will be deemed to be 'transitionally registered' under GEMS on 1 July 2012, Ai Group suggests a better approach would be to grandfather all registrations at 1 July 2012 for the period remaining under the state-based program. At the expiry of state registrations, companies will need to re-register under GEMS.

### **Family of Models**

Ai Group supports the Standards Australia technical committee determining families of models and stating this in Australian Standards. This would align with state electrical safety regulators definitions for a product family listed under the one product approval. There should be a cost to add models to family approvals as per state electricity safety regulations so that models are not added endlessly (as with the WELS Scheme).

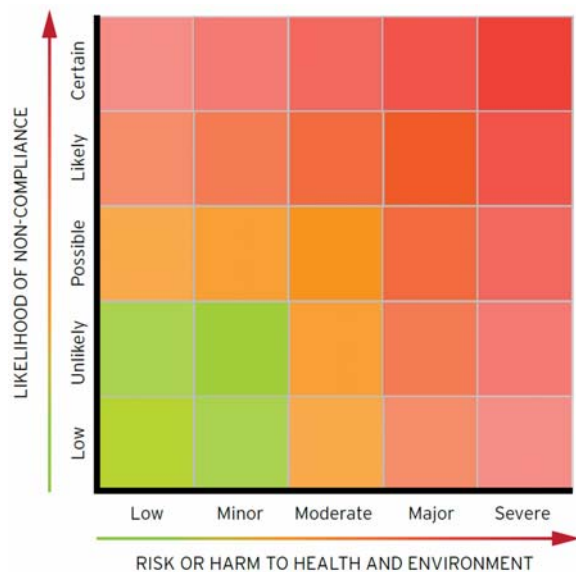
## Part 8 Enforcement

Ai Group seeks further consultation with DCCEE and other stakeholders around the types of offences likely to attract criminal penalties.

Ai Group recommends that <sup>1</sup>DCCEE refers to policy like the Victorian EPA Compliance and Enforcement Policy and seek independent judicial recommendations to compare the scale of maximum offence penalties in the GEMS Bill against the scale of offence penalties in other Acts.

Ai Group's previous submission to the Supplementary Discussion Paper on Compliance Obligations and Enforcement Penalties suggested a sliding scale of penalties is needed. Further to this, the Victorian EPA Compliance and Enforcement Policy provides a sliding scale of penalties and may provide a suitable reference.

The EPA regulatory model below is based on risk which is defined as a combination of 2 elements: consequence (the risk of harm to health and the environment) and likelihood (the chance that non-compliance will occur).



- In the green box, the company is more likely to get a warning.
- The orange section is where penalty infringement notices are issued.
- The 'red area' of the chart is where the EPA uses enforceable undertakings, licence/permit suspensions, injunctions and prosecutions. Relevant considerations are the level of culpability, existence of multiple serious breaches or systemic failures, incidents of high public

<sup>1</sup> Refer:

[https://epanote2.epa.vic.gov.au/EPA/publications.nsf/2f1c2625731746aa4a256ce90001cbb5/499e5324596f858cca2578a9001122ae/\\$FILE/1388.pdf](https://epanote2.epa.vic.gov.au/EPA/publications.nsf/2f1c2625731746aa4a256ce90001cbb5/499e5324596f858cca2578a9001122ae/$FILE/1388.pdf)

interest requiring a transparent hearing in court, the entity having been the subject of previous prosecutions of a serious nature, EPA cannot be satisfied of ongoing compliance.

### **Specific comments on the enforcement of motors**

Ai Group previously made comments regarding non-compliant motors attached to other mechanical equipment. We realise that the addition of commercial use capture clarifies the situation for motors imported but not sold. However, we would like to highlight the market for motors imported by end users is estimated to be 100% larger than the MEPS registered motor market and enforcement efforts in this area are urgently needed to provide a level playing field for MEPS registered suppliers and to improve the overall performance of MEPS regulated motors in Australia.

Motor suppliers, manufacturers and end user companies are reluctant to pass information to the MEPS regulator in regard to customers and contractors with whom they are doing business. Compliance and enforcement which relies on industry informing the process may not be a serious deterrent to those trying to skirt the MEPS requirements.

Ai Group suggests that efforts by the regulator to identify commercial motor users should be conducted at the point of importation. Additionally, education, monitoring, investigation and enforcement should be conducted now amongst those companies identified and details of non-compliant suppliers publicised.

### **Section 170 – Publicising offences**

As per previous Ai Group submissions, Ai Group supports the ability of the GEMS regulator to publicise contraventions.

### **Next Steps**

Ai Group seeks further face to face meetings with DCCEE and other relevant stakeholders prior to implementation of any changes to the scheme.

### **ABOUT Ai GROUP**

The Australian Industry Group (Ai Group) is a peak industry association in Australia which along with its affiliates represents the interests of more than 60,000 businesses in an expanding range of sectors including: manufacturing; engineering; construction; automotive; food; transport; information technology; telecommunications; call centres; labour hire; printing; defence; mining equipment and supplies; airlines; and other industries. The businesses which we represent employ more than 1 million employees.

In response to the GEMS BILL Industry Consultation Paper, Ai Group conducted industry consultations with members of our Electrical Appliances and Accessories Forum, Rotating Machines Forum and Consumer Electronics and Home Appliances Member Reference Group.

### **Electrical Appliances and Accessories Forum**

Electrical Appliances & Accessories (EA&A) Forum addresses the technical and regulatory environment affecting supply of electrical appliances and electrical accessories through interaction with regulators and participation in standards bodies. This Forum is particularly focused on electrical safety, energy efficiency and environmental issues associated with appliances.

### **The Rotating Machines Forum**

The Rotating Machines Forum addresses the common interest areas of members involved with the manufacture or supply of electric motors, motor control systems and equipment utilising electric motors. The Forum's work focuses on minimum energy performance standards, educating the market on standards issues and working with the government regulators.

### **Consumer Electronics and Home Appliances Member Reference Group**

The Consumer Electronics and Home Appliances Member Reference Group has been established in response to demands from consumer electronics and home appliances equipment suppliers for a CEO level group to take a coordinated approach to addressing the regulatory and higher level issues around residential consumer electronic and electrical equipment.