

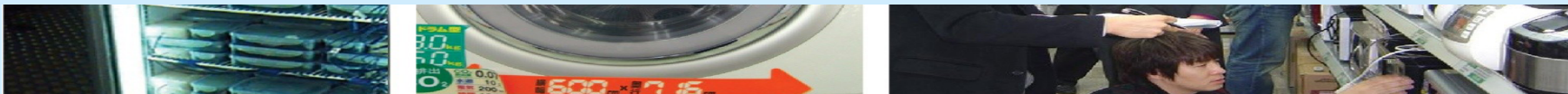
COMPLIANCE COMPARISONS

A SUMMARY OF COMPLIANCE
RATES IN AUSTRALIA AND
OTHER JURISDICTIONS

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October 17, 2011
Stamford Plaza,
Sydney

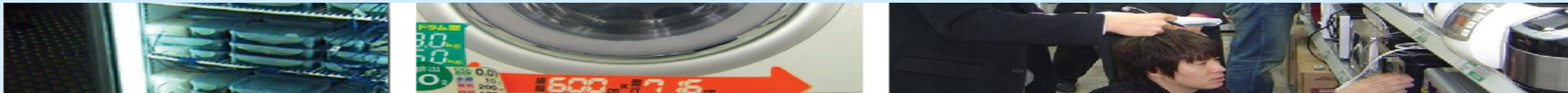
WHY COMPARE?

- Is compliance in E3 program better or worse than in other similar programs?
- What factors appear to influence compliance rates?
 - *Different systems & procedures*
 - *Different approaches by industry*
 - *Different approaches by regulators*
- Can we improve what we do here by copying?
- Can we influence compliance here by improving compliance processes elsewhere?
 - *E.g. amongst trading partners*



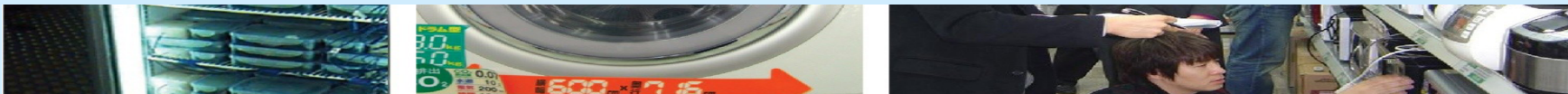
SCOPE OF STUDY

- ***“Labelling display surveys”***
 - *Are labels correctly displayed on appliances offered for sale in retail outlets*
- **Verification testing results**
 - *Undertaken by specialist testing facilities of equipment to check marketing claims against real performance to ascertain compliance program rules and regulations.*

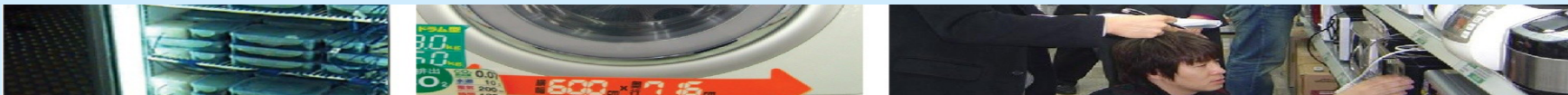
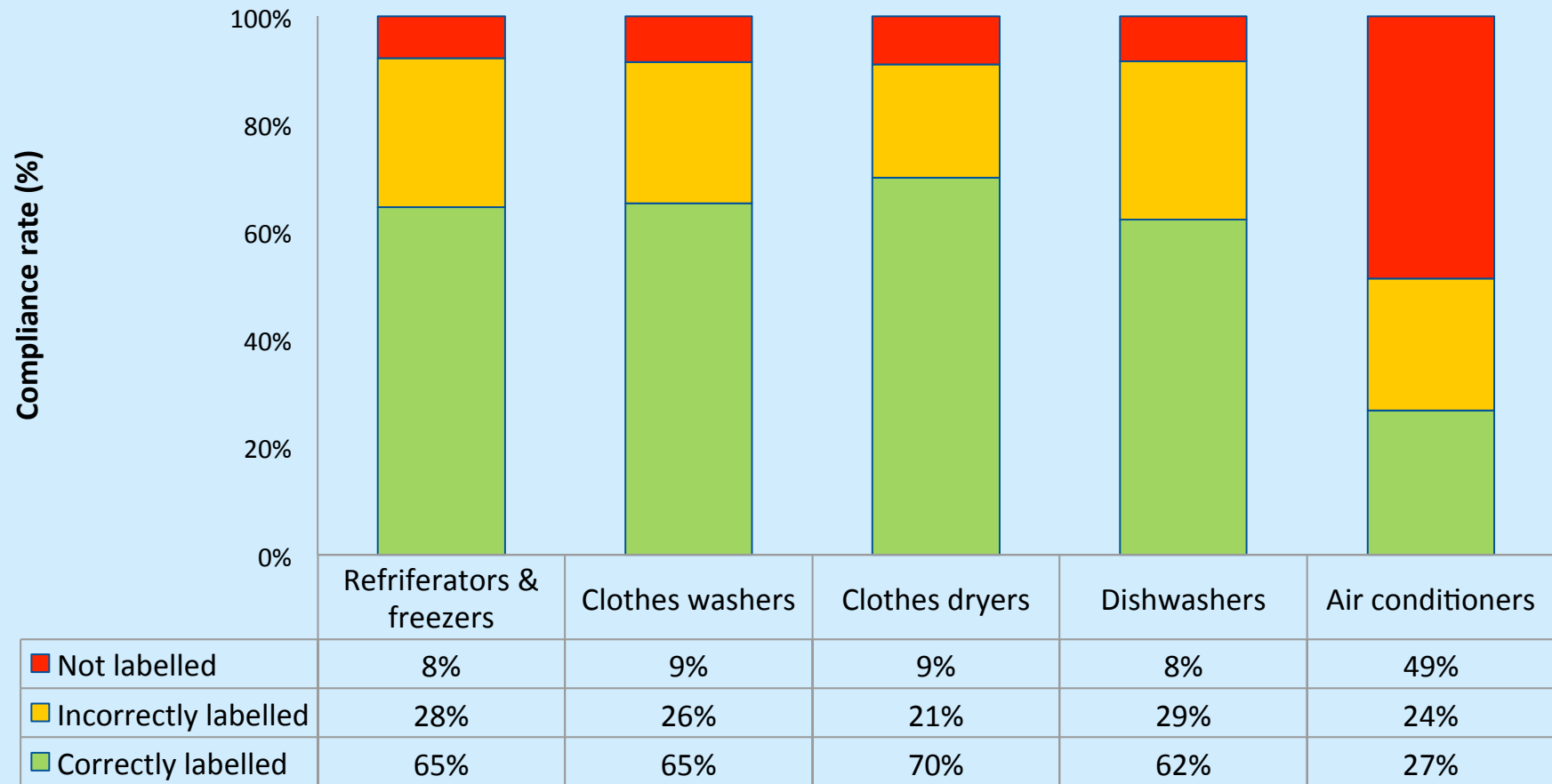


LABELLING DISPLAY SURVEYS

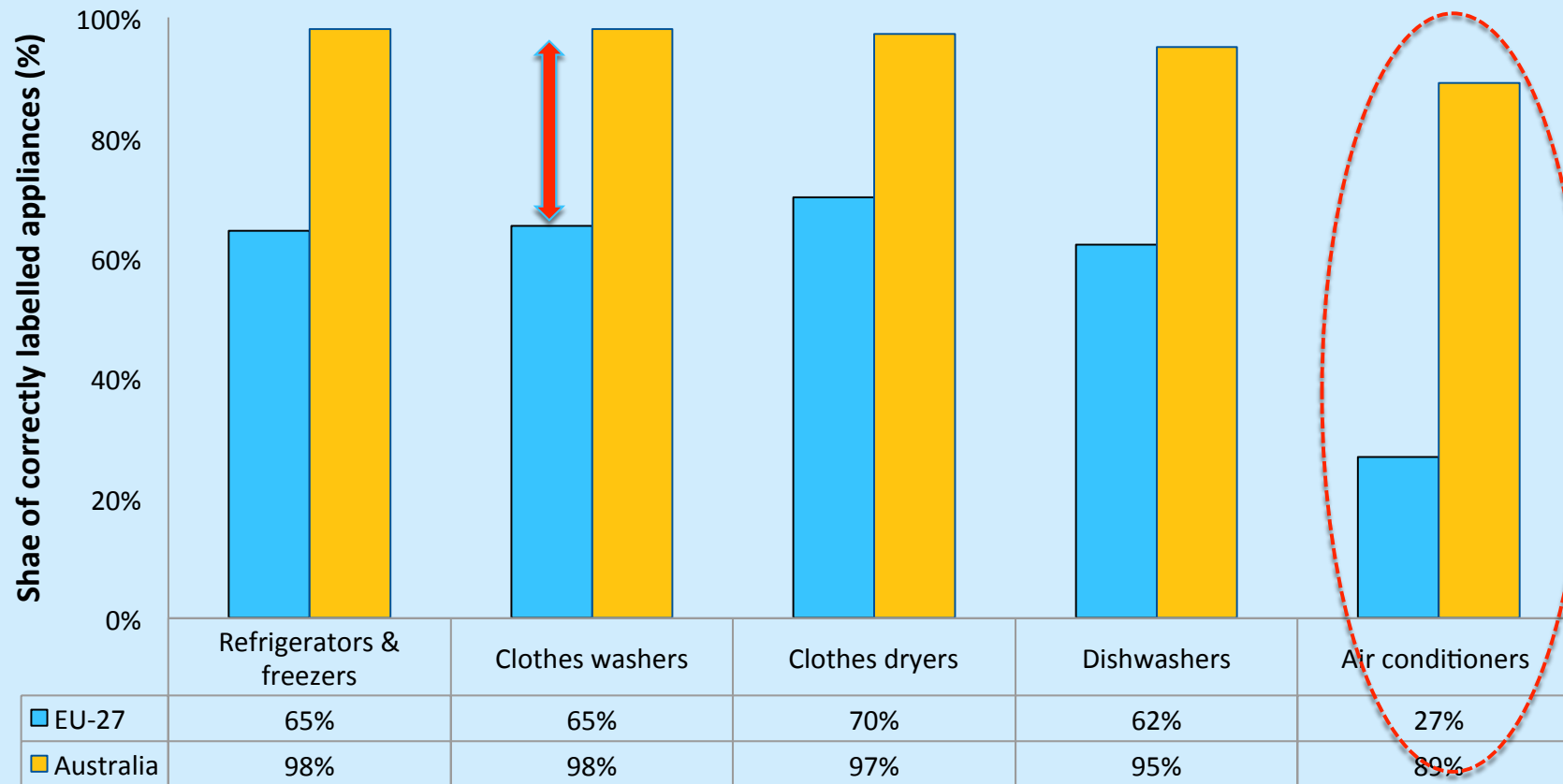
- Is the appliance label correctly displayed according to the particular rules or regulation?
 - *Whether all required products carry an energy label.*
 - *Whether the label displayed follows the correct design, format, colour and size.*
 - *Whether the label is located in the correct position on the appliance.*
 - *Whether the label includes all the information required to be displayed.*
 - *Whether the label is clearly visible to the customer.*
 - *Whether the label information matches any information provided to the program by the supplier*



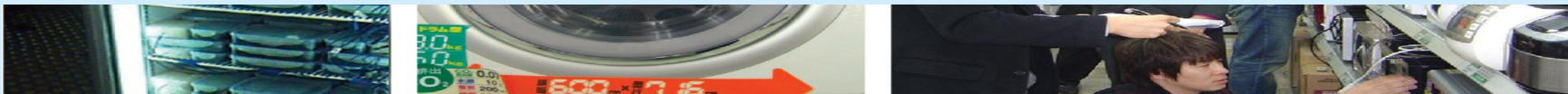
EUROPEAN UNION (2009)



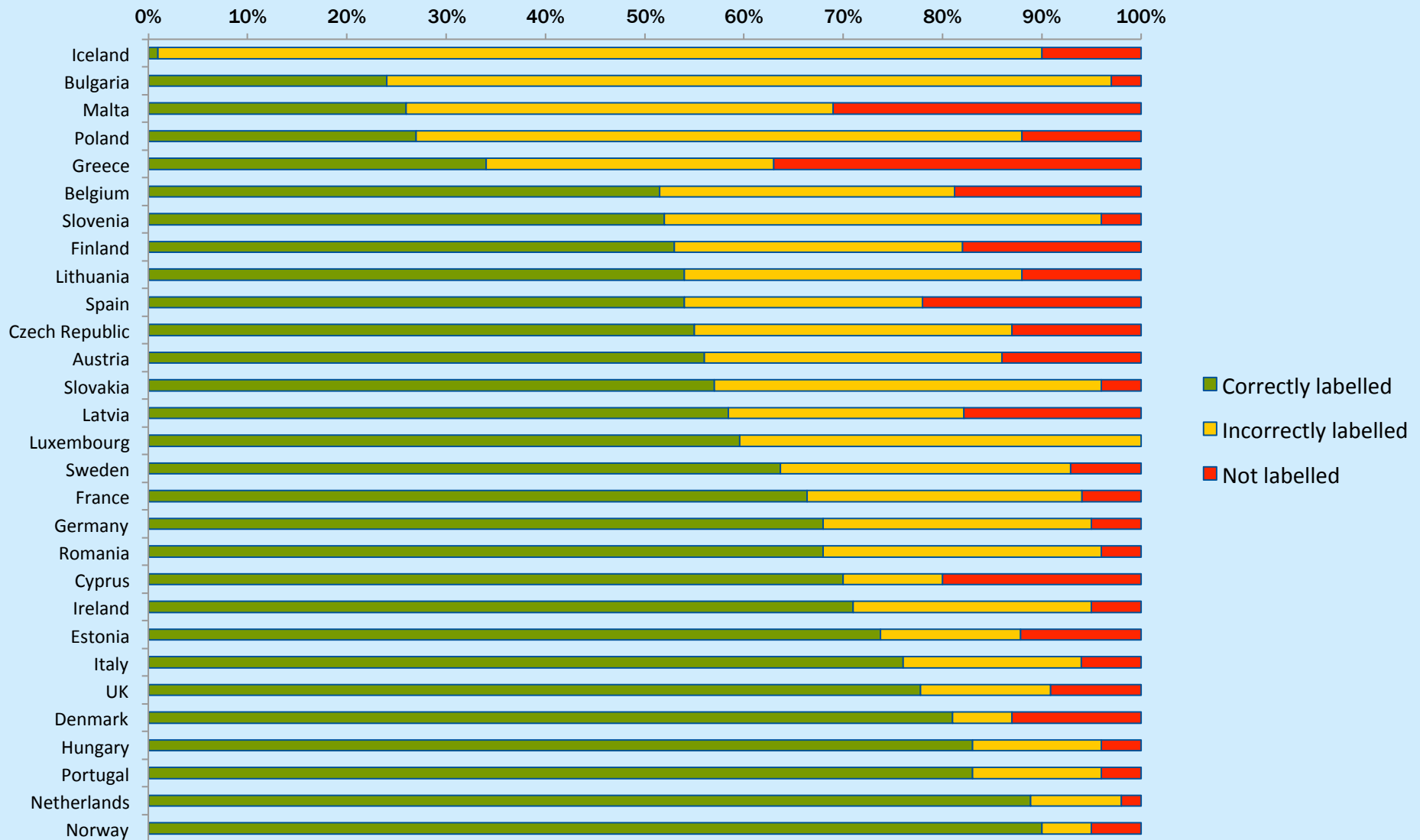
EU VS AUSTRALIA (2009)



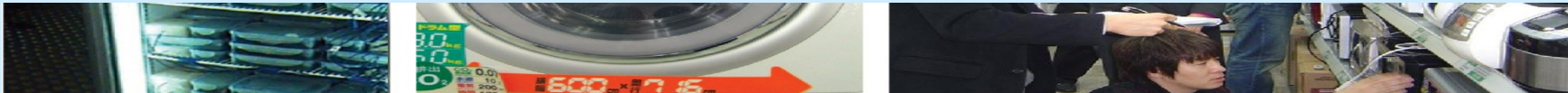
For same appliance categories: similar period – similar sample sizes



A CLOSER EXAMINATION SHOWS GREAT VARIATION IN EUROPE

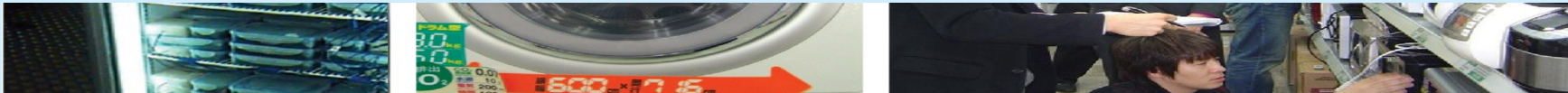


“Countries with the highest compliance rates, also tend to be those that have invested in monitoring processes”



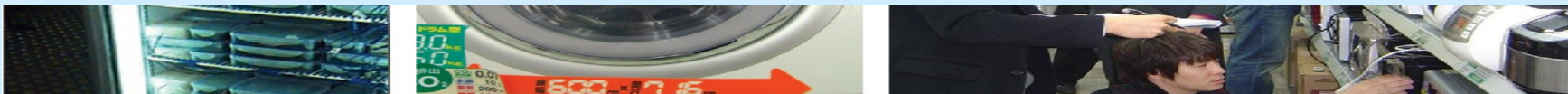
VERIFICATION TESTING

- Sometimes called “Check Testing”
- To confirm that the performance of a model meets the requirements the program when tested in accordance with the specified test method
- Often comprises a two-stage procedure:
 - A ‘Screen Test’ of a single sample, randomly selected (Stage 1)
 - A failed screen test leads to a more thorough examination of multiple samples to test product variability (Stage 2)

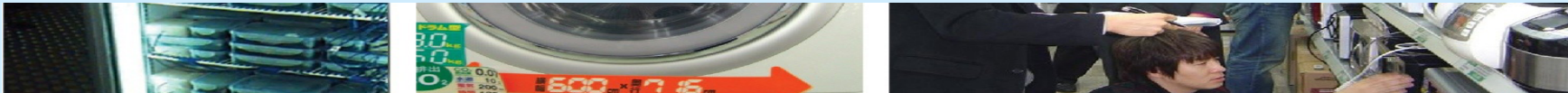
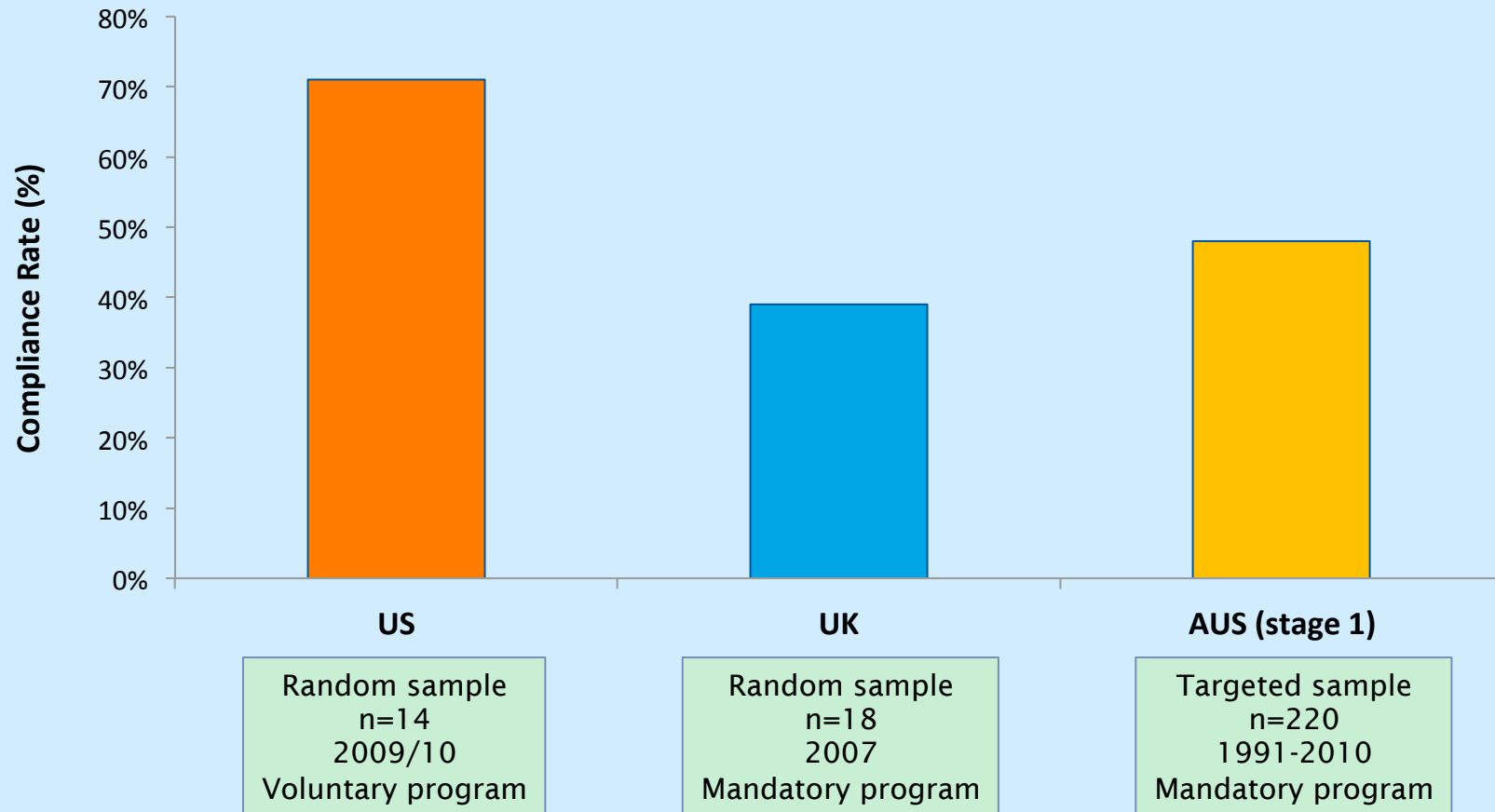


FACTORS INFLUENCING RESULTS

- How have products been chosen:
 - *Selection criteria used (targeted, random)*
 - *Whether the results are from screen tests or from a more thorough examination of the products (higher compliance rate)*
- Do the reported results only relate to energy performance, or a wider selection of program rules?
- How long has the particular product category been included in the energy efficiency program?
- Is the program voluntary or mandatory?



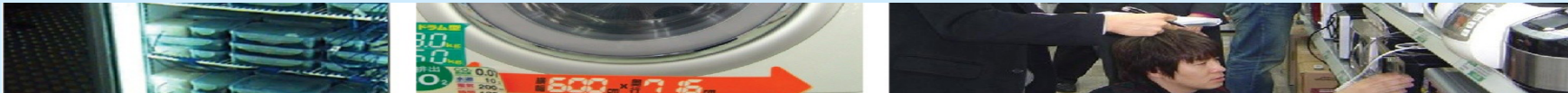
AIR CONDITIONERS – SCREEN TESTS



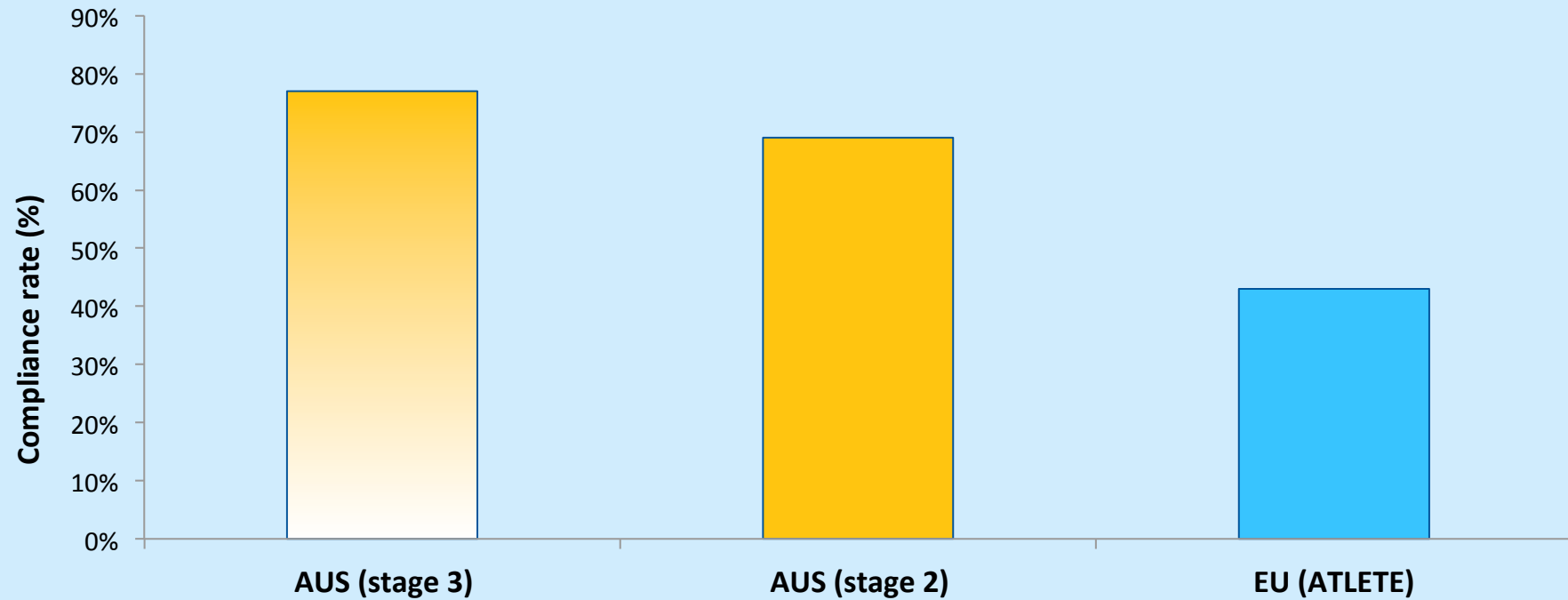
WHITEGOODS – SCREEN TESTS



- US Random sample: n=78: 2010: voluntary program
- UK Market share: n=97: 2005-2009: mandatory program
- AUS (stage 1) Targeted sample: n=574: 1991-2010: mandatory program

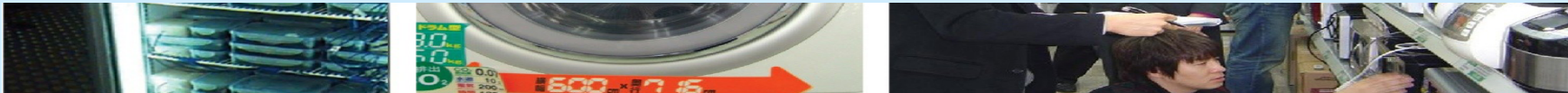


REFRIGERATORS/FREEZERS – STAGE 2



Targeted sample
n=284
1991-2010

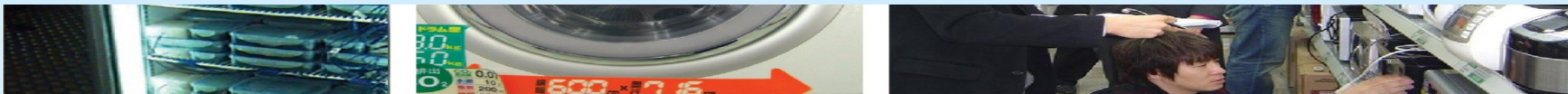
Market share
n=70
2009-11



CONCLUSIONS

LABELLING DISPLAY

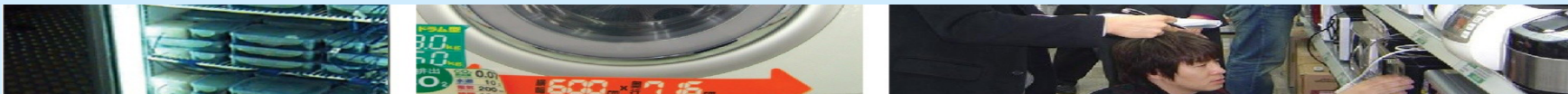
- Simplistically, Australian retailers appear to display a higher rate of correctly labelled appliances
- Compliance rates tends to improve for appliances labelled for a longer period
- Efforts to create awareness/understanding through information or a voluntary label can lift compliance rates more quickly
- Countries that invest in monitoring and enforcement over a period of time have similar and higher compliance rates



CONCLUSIONS

VERIFICATION TESTING

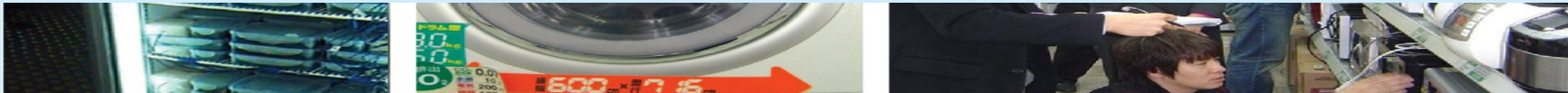
- Comparing test results is tricky – difficult to match like-for-like results
 - *Selection of sample; type of test; number of criteria evaluated; type of program*
- Most countries focus testing on products that represent the greatest risk to program outcomes
 - *i.e. high risk of failure, or the greatest impact on energy savings*
 - *random sample prohibitively expensive*
- Regular testing, the public reporting of results and subsequent enforcement action lead to better compliance rates



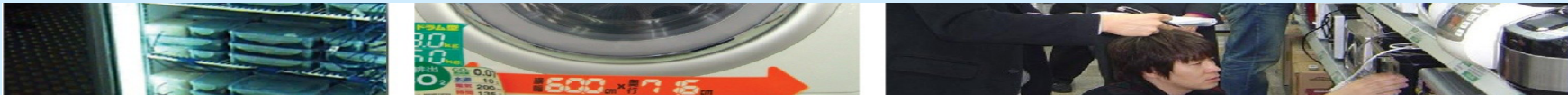
CONCLUSIONS

INTERNATIONAL COLLABORATION

- Collaboration can benefit the Australian program:
- Helps to identify products more likely to fail – cuts testing costs
- Helps to improve the risk selection criteria used to target products for testing
- Links between regulators heightens risks for global suppliers
 - *non-compliance in one market may have wider impacts*



Thank you



COMPLIANCE ACTIVITIES

- Expenditure on MV&E around \$1 million p.a
- MV&E Unit within appliance ee team (3 staff)
- On-line registration process
 - *current database >45,000 regulated products*
- Verification tests by accredited laboratories
 - *>1,000 since 1991, approx. 100 per annum.*
- Checks on labelling & registration
 - *Market surveillance team (12 staff) inspect store/internet/advertising*
- Forums, newsletters, outreach to highlight obligations & provide feedback

