
Submission on the GEMS Act Review

Energy Efficiency and Conservation Authority (EECA)

28 March 2018

Thank you for the opportunity to comment on the Discussion Paper on the Independent Review of the Greenhouse and Energy Minimum Standards (GEMS) Act 2012. EECA is commenting as the agency representing New Zealand in the E3 programme.

We see the ongoing trans-Tasman cooperation and regulatory alignment that we can achieve through the E3 programme as being mutually beneficial to New Zealand and Australia as it facilitates trade, reduces business costs, and achieves administrative efficiencies for both governments.

We have a keen interest in the outcomes of this review, especially any implications that the findings and recommendations may have for New Zealand's and Australia's ongoing cooperation and regulatory alignment under the E3 Program. We ask that the recommendations be developed with due consideration given to any such implications.

Among the areas for review highlighted in the Terms of Reference for the GEMS Act Review, those of particular interest to EECA include:

- “Improvements that will lead to an increased reduction in greenhouse gas emissions”
 - **Comment:** EECA has recently renewed its focus on greenhouse abatement and targeting interventions with the highest emissions reduction potential, so this is a key interest for us. We note that our current legislation does not expressly provide for products to be regulated in terms of their greenhouse gas emissions (although this goal is implicit in our legislative mandate to “encourage, promote, and support energy efficiency, energy conservation, and the use of renewable sources of energy”).
- “the actual and required agility of the Act to respond to changing dynamics (for example, technological changes, increasing proportion of online sales, integrated products, less specific product categories)”
- “The ability of the Act to provide for adequate compliance arrangements for new and bespoke products”
- “Administrative challenges (current and anticipated) faced by businesses and the GEMS Regulator”
 - **Comment:** We face the same, or similar, issues as Australia (as outlined in the three points above, and detailed under sections 4, 5, and 6 of the Discussion Paper) when it comes our ability to administer and enforce regulatory requirements under the E3

programme now and in the future. We work closely with Australia to operate a shared registration database and coordinate our compliance activities. So any findings and recommendations on the issues above are also of key interest to us.

- **Comment:** In terms of agility in implementing regulation in a dynamic environment, we note that we face some additional process requirements when implementing regulation in New Zealand – which make the process longer at our end – and that we currently rely on regulations as our legislative instrument, which operate somewhat differently to the Ministerial determinations used in Australia. This is already creating some challenges in terms of our ability to align regulation with Australia, which we are seeking to address. We are therefore interested in any findings and recommendations that the GEMS Review makes on this issue, as this could potentially be an area with some implications for us.

EECA intends to consider its equivalent legislative arrangements in light of the outcomes of this review, and therefore look forward to hearing the outcomes of the review.

We would be happy to discuss these issues in more detail with you directly to inform the GEMS Act Review.