



Australian Government

Department of the Environment, Water, Heritage and the Arts

# How do you police? The Australian Experience

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[www.energyrating.gov.au](http://www.energyrating.gov.au)

EQUIPMENT ENERGY EFFICIENCY



# Presentation Overview

- Part 1 - The future direction of Australian labelling
- Part 2 - The elements of enforcement within our version of a public private partnership
- Part 3 - How does enforcement work in Australia
- Part 4 - The future for our enforcement capability





# Australian labels (1)

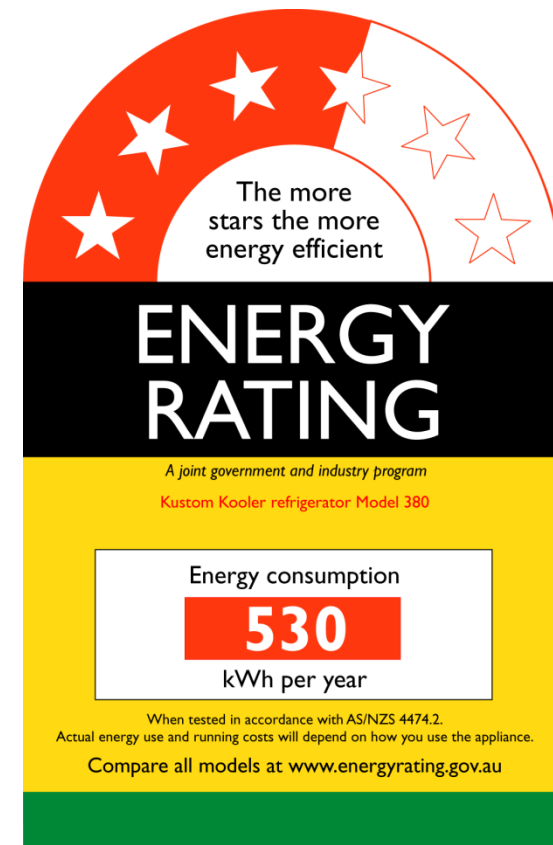
- Launched energy labels in 1986 with five product types by 1990
- Worked in partnership with affected industries
- Promoted efficiency through [www.energyrating.gov.au](http://www.energyrating.gov.au)





## Australian Labels (2)

- Promoted it to the public as reliable for 20 years
- Measured the interest:
  - 94% (96% prompted) recall the label,
  - 80% think it important,
  - 75% claim they use it (Winton Research)
- Updated the label in 2000 which is now seen on more 3 million labelled products pa
- Could be as many as 5 million pa should TV s be added





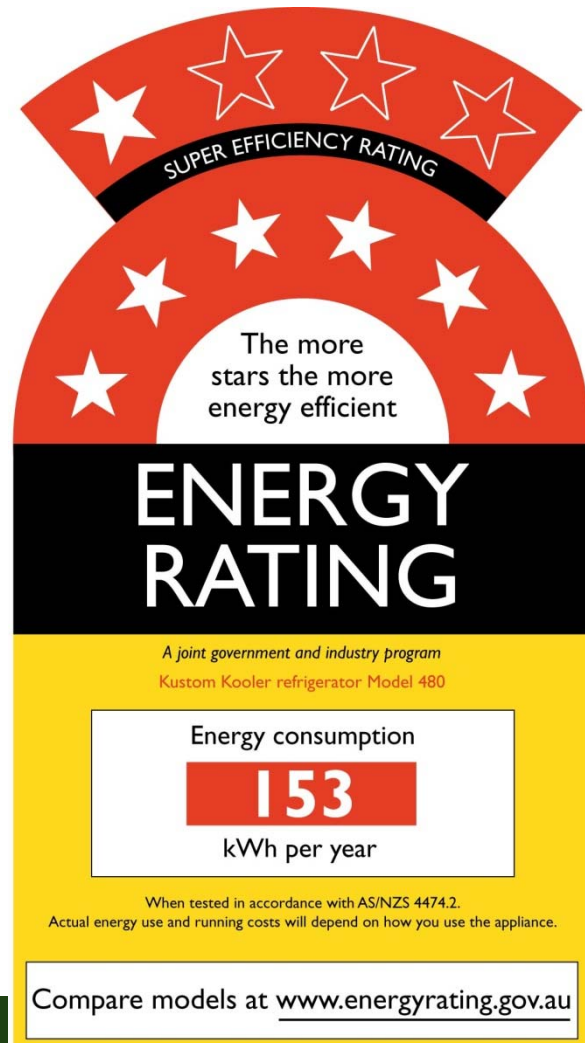
# Australian Labels (3)



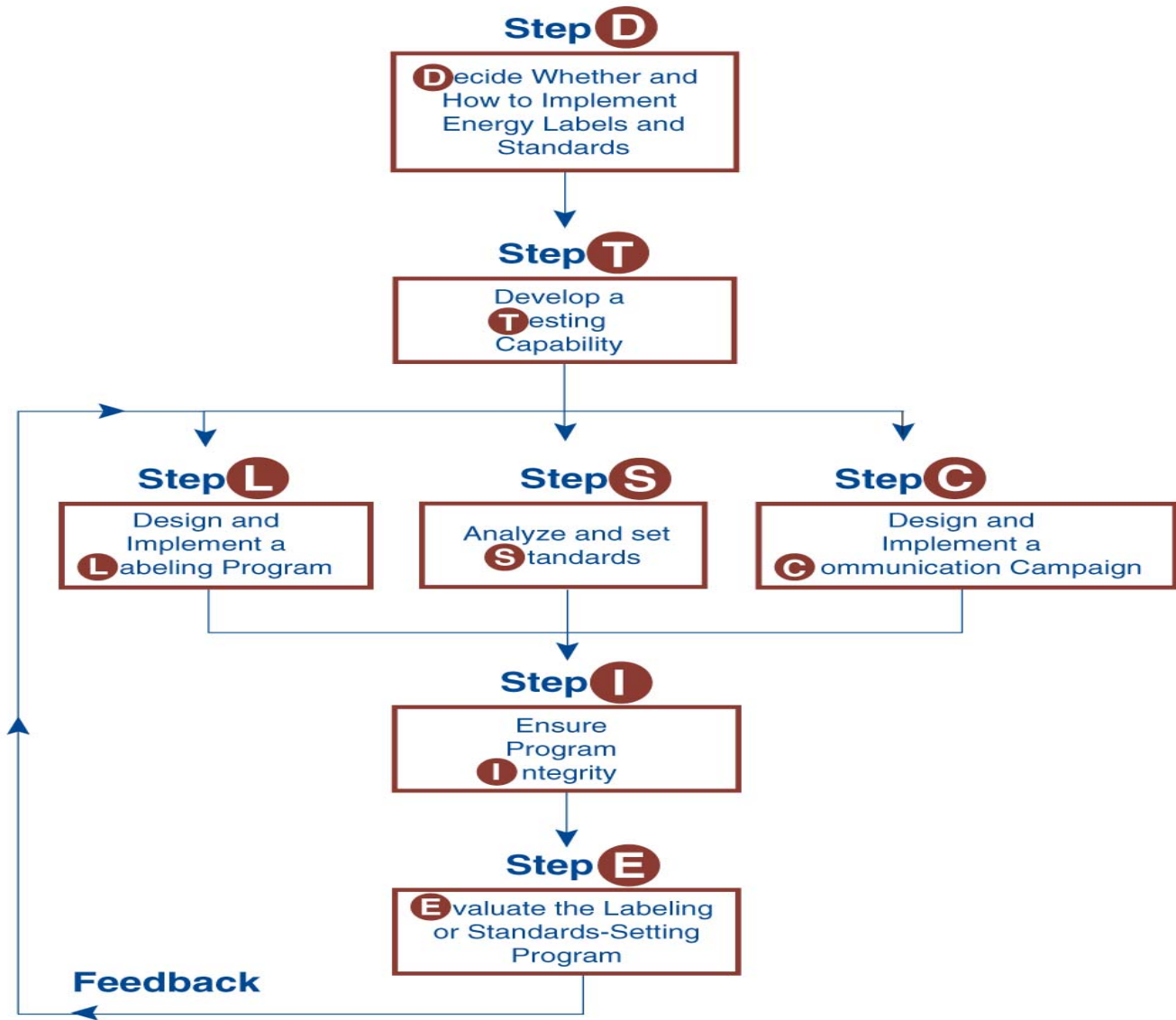
- Continue to grow brand recognition
  - Water & Gas
- Rescale the efficiency
  - What was 5 stars becomes 3 stars
- Reinforce recognition
  - Retailer training – *Reach for the Stars*
  - TV education campaign for consumers – *Look for the TV stars*



# Australian Labels (4)



- Revamp the label
  - Identify super efficient products
- Expand the products with a label
  - Televisions – subject to finalisation of a regulatory impact statement
  - Possibly computer monitors but only when a full duty cycle is available and industry concurs
- Enforce compliance with the label algorithm





## Part 2 - enforcement circumstances in Australia?

- Federation like the EU – with labelling compliance the responsibility of member states
- Nationally consistent approach organised through government committee structures and formal, public agreements with industry
  - [www.energyrating.gov.au](http://www.energyrating.gov.au) under Administrative Guidelines
- Industry Associations involved in setting forward directions and individual suppliers have access to some competitor data to assist in compliance monitoring





# Enforcement issues

Always a balance

- Need to raise awareness amongst suppliers about the new laws verses the need to protect other supplier investment in compliance when considering specific complaints
- Need to have the resources (financial, specialist expertise, will) to enforce verses the need for appropriate sanctions within the laws
  - “Let the punishment fit the crime”
- Need to express accurately the intent within lawful requirements verses the need for vigilance about circumvention





# How Australia enforces

- Two stage process
- Stage 1 or “Screening” test – single model tested independently in accredited facilities **at government cost**
- Stage 1 pass – supplier advised of outcome and invited to purchase test report and the unit involved at 50% of cost
- Stage 1 fail – supplier chooses to agree to deregister this model **OR** proceed to stage 2 **at their cost**
- Stage 2 testing varies by product – for whitegoods suppliers are asked to nominate serial numbers and stock already sold which are tested in independent facilities
- Regulatory staff choose three units of which two must pass the stage 2 testing





## How Australia enforces (2)

- Stage 2 pass – supplier advised no further action (note - cost remains with supplier)
- Stage 2 fail – supplier informed that this model will be deregistered (it no longer has a right to be sold in Australia) and testing cost recover instituted
- Suppliers then engage with regulators on an appropriate restitution, where discussions turn to:
  - Consumer redress, environmental redress, future testing
  - Terms of public disclosure and final report to the Australian Competition and Consumer Commission





## Why Australia enforces (3)

- 20 year effort passing through various stages
  - Initially private conversation with encouragement to do better next year
  - Within the partnership with industry, a quiet reference to the relevant Association which was regularly effective
  - National Labelling Store Compliance Surveys
    - 400 stores 30,000 appliances inspected
    - WA toward the worst compliance rate in Australia – 3 Court actions
      - WA now leads all states in labeling compliance
    - NZ has the worst compliance rate – launched Court case last year





## Why Australia enforces (4)

- 20 year effort now at this stage
  - Common trust fund amongst all jurisdictions to test (@ \$1m for testing this financial year)
  - Whereas 880 tests done since the scheme began at least 1,000 tests in 2008/9 (not including several thousand lamps and EPS)
  - Like Japan and other nations, the naming of suppliers at the conclusion of the process is a very likely sanction (newsletters so competitors may use that information)
  - Sanctions range from \$AU 500 on-the-spot infringement notices for possibly an unlabelled appliance in a suburban store through to reference to the ACCC for dominant suppliers with a track record of failing verification testing
    - LG settled with the ACCC concerning several consumer type airconditioners for \$3 million.
    - Since that decision, the ACCC has announced its interest in taking enforcement action on “greenwashing”
  - The dialogue is no longer confidential and the focus has moved to how can the supplier repair the damaged caused to date and ensure the problem does not occur again





# Real Life

## ■ Examples

- Centrix bar fridge
- Insulco ceiling polyester insulation
- LG airconditioners
- Compact Fluorescent Lamps - mercury

## ■ Competitors are the police

- Complaints are encouraged
- Complaints with supporting data are weighted accordingly
- Complaints with independent third party accredited test data accelerate the complaint, usually directly to stage 2





## Real Life 2

- Large number of products to screen for check tests
- Current registrations:
  - Refrigerators - 1,100 registrations
  - Air conditioners - 3,000 registrations
  - Clothes washers - 600 registrations
  - Dishwashers - 300 registrations
  - Motors - 10,000+ registrations
  - Lamps - 500 registrations
  - Ballasts - 150 registrations
  - Televisions - 5,000 registrations (unclear)





## Where to from here?

- The effort must continue – just ask consumers!
- Australia is keen to work with other Governments to share its experience and the enforcement load for globally traded goods
- As other national and regional programs mature, the capacity for cooperation becomes more obvious:
  - The EuP process and Eco-Design Directives suggest Europe is a natural partner (220-240 volt 50 hertz systems)
  - US DOE has a challenging work load but so do we all. Dividing products between us is one way we could cooperate
  - Even if all countries do not adopt the Top Runner approach, we all share common interest in efficient products and have much to learn from the Japanese relationship between govt and industry
  - Multinational industry is a natural partner – the statements from Electrolux and Emerson as examples are powerful reminders of those shared interests
- Efficient and inefficient products know no boundaries, nor should we.





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For more information see:  
[www.energyrating.gov.au](http://www.energyrating.gov.au)

Thank you

