

National Competition Policy Reforms
The Treasury

July 30, 2025

Re: Lowering barriers to the adoption of international and overseas standards in regulation, consultation paper

The Energy Efficiency Council (EEC) welcomes the opportunity to provide some brief general feedback to Treasury's consultation aimed at improving the use and recognition of international and overseas standards in regulation.

As the peak body for energy management and energy efficiency in Australia, our members include technology suppliers, energy service providers, major energy users, governments, education providers and NGOs. Energy efficient products and services are essential for a cost-effective, equitable, and orderly transition to net zero.

The standards and regulatory environment relevant faced by our industry in Australia often lags international peers and is further complicated by our federated structure. This has real-world consequences as a slow or fragmented standards and regulatory system can:

- Inhibit the adoption of emerging technologies;
- Create inconsistent or duplicative requirements between jurisdictions and programs;
- Increase the risk of low-quality product dumping in the Australian market; and
- Impose costs and uncertainty for businesses operating across jurisdictions and national programs.

The development and revision of Australian Standards generally takes several years, and government-led regulatory reform is often similarly time-consuming. While we understand the importance of due process, the pace of reform is increasingly at odds with the speed of technological and market change – particularly in our sector. More agile and responsive systems are needed. At the same time, we recognise Australia's robust and trusted standards framework is a competitive advantage in sectors such as food and pharmaceuticals, and plays an important role in maintaining the high standards of safety and quality of life that Australians enjoy.

Reform efforts must strike a careful balance: removing unnecessary barriers while maintaining integrity, safety, and fit-for-purpose outcomes for Australian conditions.

We see several key opportunities and challenges that should be taken into account when considering this work package, including:

Lack of alignment between jurisdictions

Differences in standards and regulations between states and territories (and even between programs within a single jurisdiction) create unnecessary complexity and administrative burden. Increased alignment, or clear mechanisms to mutually recognise equivalent standards, would support better national consistency and reduce costs for industry and governments.

International standards

EEC members generally support the adoption of international standards where Australian standards are duplicative, insufficient, or absent. Doing so can help accelerate market access for innovative technologies and enhance competitiveness. However, it is essential that any adopted standards are reviewed to ensure they are fit for the Australian context. For example, factors such as climate zones or hard water conditions may need to be considered in the case of a heat pump hot water system standard.

Further, Australia should avoid becoming a passive taker of global standards as a default position. In areas such as solar PV, Australia has previously demonstrated global leadership. Reform should aim to balance openness with strategic input into international processes and leadership where we have expertise.

GEMS (Greenhouse and Energy Minimum Standards)

The EEC emphasises the important role the Commonwealth Government plays in setting energy performance standards through the Greenhouse and Energy Minimum Standards (GEMS) program. GEMS is central to a range of national product standards and directly supports the energy transition by contributing to emissions reduction and demand management. Its role should be carefully considered in any future mapping or reform processes.

Streamlining processes for iterative updates

Once standards and regulations are in place, updating them based on lived experience or technological developments is often time consuming and onerous. This increases the pressure on getting standards as close to ‘perfect’ the first time round, which can blow out development timelines.

It is important all standards meet the needs of consumers, industry and broader public policy goals. And there are real benefits from a stable standards framework. However, a situation in which there is no standard or regulation in place because we do not yet have a ‘perfect’ standard is a perverse outcome.

Given the pace of technological and market change, processes that give standards makers and regulators more flexibility to make iterative updates to standards would

take some pressure off the initial standard making process and allow responsiveness to changing circumstances.

Again, there is a need to strike a balance on this matter, but in our view the balance is currently too skewed towards achieving a ‘perfect’ outcome from the outset. A more flexible framework for updates would allow us to get to ‘good’ more rapidly, and continue iterating on this initial position over time.

Planning for the future

The rapid growth of Consumer Energy Resources (CER) and demand management is raising important questions about future standards and regulatory frameworks. As CER and demand-side activities play an increasingly critical role in the energy transition, there is an opportunity to develop hybrid standards models that integrate both Australian and international standards. The EEC is currently reflecting on early concepts for potential future reforms, including a reimagined GEMS Act that could incorporate:

- Integration of time-of-use and demand flexibility requirements;
- Expanded coverage of commercial and industrial appliances;
- Support for interoperability across platforms; and
- Administrative improvements to improve agility and responsiveness on integrated issues.

These opportunities could inform broader discussions about how regulation and standards can better support emerging technologies, services, and energy transition objectives.

With the right reforms, Australia can improve business competitiveness, accelerate innovation, and continue to ensure that standards deliver safety, performance, and trust for the community.

We are very supportive of intention of this work and would welcome the opportunity to provide further input as it progresses. Please contact our Senior Advisor, Rachael Wilkinson at Rachael.Wilkinson@eec.org.au should you wish to discuss further.

Yours sincerely,

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