**EXPLANATORY STATEMENT**

Issued by the authority of the Minister for Resources, Energy and Tourism

*Greenhouse and Energy Minimum Standards Act 2012*

*Greenhouse and Energy Minimum Standards (Computer Monitors) Determination 2013*

# Purpose

The *Greenhouse and Energy Minimum Standards (Computer Monitors) Determination 2013* (**Determination**) implements a Council of Australian Governments (**COAG**) decision from February 2013 to regulate computer monitors for minimum energy performance standards (**MEPS**) and energy labelling. The Determination establishes minimum energy efficiency and energy labelling requirements, and associated requirements for conducting tests, for computer monitors.

**Background**

The *Greenhouse and Energy Minimum Standards Act 2012* (**Act**) established a national framework for regulating the energy efficiency of products supplied or used within Australia, implementing Australian Government and COAG commitments to establish national legislation to regulate energy efficiency and labelling standards for appliances and other products. The national legislation permits the Australian Government to set mandatory minimum efficiency requirements for products, to drive greater energy efficiency for regulated products. The Act also allows the Australian Government to set nationally-consistent labelling requirements, to increase Australians’ awareness of options to improve energy efficiency and reduce energy consumption, energy costs and greenhouse gas emissions. The national framework replaced seven state and territory legislative frameworks, harmonising the regulation of equipment energy efficiency.

Historically, MEPS and energy labelling requirements were set out in Australian or Australian/New Zealand Standards and incorporated by reference in regulations, which were usually made under the relevant state or territory electrical safety legislation. Over time the COAG Equipment Energy Efficiency Program (**E3 Program**) developed the practice of setting the requirements by reference to the relevant Australian or Australian/New Zealand Standards. This Determination departs from that practice, instead setting out the requirements in full in its own terms.

MEPS requirements, or energy use requirements, relate to requirements for the minimum allowable energy efficiency of a product. They provide an energy efficiency ‘floor’ for that product type, below which individual models of that product type cannot be sold. The level of the floor can be raised over time, providing a means of raising the average energy efficiency of the product type.

Energy labelling requirements primarily relate to requirements for the display of energy rating labels, such as those commonly seen on products including refrigerators, dishwashers and televisions, amongst others. Energy rating labels allow consumers to compare the energy consumption of similar products, and factor potential cost savings into their purchasing decision.

Other regulatory requirements possible under the Act include requirements relating to high efficiency levels, product performance, and the impact of the product on the environment or the health of human beings. There are no requirements of these types set in this Determination.

**Legislative basis**

Under subsection 23(1) of the Act the Minister may, by legislative instrument, make a determination (a GEMS determination) that specifies one or more classes of products if the products in those classes use energy or affect the amount of energy used by other products. A GEMS determination is the vehicle by which energy efficiency requirements (GEMS level requirements), energy labelling requirements (GEMS labelling requirements) for classes of products and other requirements for a product class are established.

Under section 25 of the Act the GEMS level requirements specified in a GEMS determination may be:

* requirements relating to one or more of the following:
	+ the amount of energy used in operating products in relevant product classes;
	+ the amount of greenhouse gases resulting from operating products in the relevant product class;
	+ the effect of those products on the amount of energy used by operating other products; and
* requirements for conducting tests in relation to products in the relevant product class in order to determine whether the products meet the specified requirements.

Under section 26 of the Act the GEMS labelling requirements specified in a GEMS determination may be:

* requirements relating to the information that must be communicated in connection with supplying or offering to supply products in the relevant product class;
* requirements relating to the manner in which that information must be communicated; and
* requirements for conducting tests in relation to products in the relevant product class in order to determine whether the products meet the specified requirements.

**Consultation**

The Australian Government conducted extensive consultation with the computer industry throughout the development of the regulatory approach to computer monitors reflected in this Determination. Dialogue with key stakeholder groups about regulatory intervention started in 2005, with negotiations on the substance of the possible regulation commencing in 2007. This dialogue continued until 2011.

A Consultation Regulatory Impact Statement (**Consultation RIS**) covering both computers and computer monitors (and prepared in accordance with COAG best practice regulation requirements) was released for public comment in October 2010. Submissions were received from two industry associations and one multinational computer company. There were no submissions from user groups, consumers or consumer advocacy groups or other companies. This lack of response may be attributed to the lengthy consultations which preceded the consultation RIS and general support from the stakeholders on the regulatory proposals.

The submissions did not include additional data or any alternatives to the regulatory proposals presented in the Consultation RIS. The submissions did include some concerns about the proposals for computer monitors, in relation to the coverage of some special purpose products and the implementation date of the requirements. In response to these concerns, it was agreed that some additional products would be excluded from the scope of the regulation, and the commencement date for mandatory labelling would be delayed for a period of six months to allow responsible parties time to adjust to the new requirements.

**Regulatory Impact**

A COAG decision RIS (**Decision RIS**) for computers and computer monitors was prepared following the completion of the Consultation RIS process. The Decision RIS incorporated industry submissions and comments and reflected the modifications agreeed to in consultation. The Decision RIS was presented to the Select Council on Climate Change (**SCCC**) for approval in February 2013. The SCCC agreed to adopt the recommended regulatory approach presented in the Decision RIS on 21 February 2013.

**Detailed description of the Determination**

Details of the Determination are set out at Attachment A.

**Statement of compatibility with human rights**

A statement of compatibility with human rights for the purposes of Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011* is set out at Attachment B.

Attachment A

**Details of the Determination**

**Section 1 – Name of Determination**

This section sets out the title of the Determination.

**Section 2 – Commencement**

This section provides that the Determination commences on 1 October 2013.

**Section 3 – Definitions**

This section sets out definitions for key terms used in the Determination. The definitions include:

* definitions relating to the various Australian/New Zealand, European Committee for Standardization (CEN) and International Electrotechnical Commission (IEC) Standards referenced in the Determination; and
* a definition of “computer monitor”, which is given the same meaning as in Australian/New Zealand Standard AS/NZS 5815.1:2012.

**Section 4 – Interpretation**

Section 4 provides guidance for interpreting certain aspects of the Determination.

Subsection 4(1)

The purpose of this subsection is to avoid any inconsistency in terminology between the Determination (and other elements of the GEMS legislation) and the standards referenced in section 3 of the Determination. It indicates that where a term used in the Determination is not defined in any part of the GEMS legislation, but is defined in a standard referenced in section 3, for the purposes of the Determination the term has the meaning set out in the applicable standard.

Subsection 4(2)

Unless otherwise specified, the applicable version of a document incorporated by reference in a legislative instrument is the version that existed on the date the instrument came into force. This is made clear for standards specifically referenced in section 3 of the Determination. However, often these standards refer to other standards or documents which also contain requirements that must be applied to give effect to the Determination or a standard referred to in the Determination. The purpose of this subsection is to make clear that the applicable version of these further documents is also the version that existed on the day the Determination came into force.

**Section 5 – Specified product classes covered by the Determination**

Section 5 sets out the scope of the Determination with respect to the class of products that it covers.

Subsection 5(1)

This subsection provides that the Determination covers computer monitors (as defined in section 3 and in the product classes specified in the table) that are designed to be connected to a mains voltage electricity supply. Three product classes are specified, based on the screen size and resolution of the monitor.

Subsection 5(2)

This subsection sets out product classes that are not covered by the Determination. These are largely electronic displays that are:

* used for public display of advertising or other content; or
* used for other specialised applications, such as in engineering or medicine; or
* of a larger size than a standard computer monitor; or
* marketed or sold as a television.

**Section 6 – GEMS level requirements**

Section 6 specifies GEMS level requirements for energy use for computer monitors covered by the Determination, including requirements for conducting tests in order to demonstrate compliance with the energy use requirements, under section 25 of the Act. Different requirements are set depending on whether the computer monitor is operating in *off mode*, *standby active (sleep) mode*, or *on mode*.

Subsection 6(1)

This subsection defines *off mode* to mean the operational mode of a computer monitor that is connected to a power source, engaged by a mechanical switch, and not providing any function.

Subsection 6(2)

This subsection specifies that the maximum allowable power consumption when a computer monitor is used in *off mode* is 1 watt.

Subsection 6(3)

This subsection defines *standby active (sleep) mode* to mean the operational mode of a computer monitor that:

* is connected to a power source; and
* has all mechanical (hard) power switches turned on; and
* has been placed into a low-power mode by receiving a signal from an externally connected device (for example, a computer, game console or set-top box) or by cause of an internal function such as a sleep timer or occupancy sensor.

Subsection 6(4)

This subsection specifies that the maximum allowable power consumption when a computer monitor is used in *standby active (sleep) mode* is 2 watts.

Subsection 6(5)

This subsection provides definitions for the terms *automatic brightness control* and *on mode.*

*Automatic brightness control* is defined to mean a self-acting mechanism that controls the brightness of a monitor as a function of ambient light.

*On mode* is defined to mean the operational mode of a computer that is connected to a power source, has all mechanical (hard) power switches turned on, and is performing its primary function of producing an image.

Subsection 6(6)

This subsection specifies the maximum allowable power consumption for a computer monitor when it is used in *on mode*. Different maximum allowable power consumptions are specified for computer monitors in product class 1 and product class 2, and are worked out using the formula in the table. The calculations in the formulae are based on the screen resolution and the screen area of a computer monitor.

Subsection 6(7)

This subsection specifies the method for working out the power consumption figure, from the results of testing, for computer monitors with the automatic brightness control feature activated by default. It does not affect the operation of subsection (6), or set alternative energy use requirements. Rather, it provides instructions for how the results of testing for products with this feature enabled should be compared with the maximum allowable power consumption calculated in accordance with subsection (6). The formula provides a weighting to be applied when combining the results of testing in high ambient lighting and low ambient lighting conditions in order to arrive at a single power consumption figure.

Subsection 6(8)

This subsection specifies that the requirements for conducting tests are those set out in sections 2 and 3 of AS/NZS 5815.1:2012.

Subsection 6(9)

This subsection specifies, for subsection (8), that for computer monitors that are powered by an external power supply that can be disconnected from the computer monitor, all energy measurements are to include the energy consumption of the external power supply. The subsection establishes requirements for doing so depending on whether or not an external power supply is supplied with the computer monitor. If the external power supply is supplied with the computer monitor, the computer monitor is to be tested with that external power supply. Otherwise, the computer monitor is to be tested with an external power supply of Energy Performance Mark III (as defined in AS/NZS 4665.1:2005).

**Section 7 – GEMS labelling requirements**

Section 7 specifies GEMS labelling requirements for computer monitors covered by the Determination, including requirements for conducting tests in order to demonstrate compliance with the energy labelling requirements, under section 26 of the Act.

Subsection 7(1)

This subsection provides a simplified outline of section 7.

Subsection 7(2)

This subsection specifies that all products must have an energy rating label in the format required by subsection (9), affixed in accordance with subsection (10), and containing information calculated in accordance with subsections (4) and (6).

Subsection 7(3)

This subsection specifies the method for working out the *projected annual energy consumption* of a computer monitor, based on the results of testing in accordance with AS/NZS 5815.1:2012.

Subsection 7(4)

This subsection specifies that a computer monitor’s *comparative energy consumption* is its projected annual energy consumption, rounded to the nearest whole number and expressed in kilowatt-hours per year.

Subsection 7(5)

This subsection specifies that a computer monitor’s energy rating label must show its comparative energy consumption.

Subsection 7(6)

This subsection provides a table for working out the star rating of a computer monitor that may be displayed on the energy rating label. Column 2 of the table specifies the allowable star ratings based on the star rating index for the computer monitor (worked out in accordance with subsection (7)), as set out in column 1.

Subsection 7(7)

This subsection specifies the method for working out a computer monitor’s star rating index. The calculation is based on the comparative energy consumption (see subsection (4)), base energy consumption worked out in accordance with subsection (8), and a provided energy rating factor.

Subsection 7(8)

This subsection specifies the method for working out a computer monitor’s base energy consumption, for the purposes of subsection (7).

Subsection 7(9)

This subsection specifies the allowable format of the energy rating label for a computer monitor. For computer monitors with a star rating of 6 or less, the format is as set out in Schedule 1 to the Determination (the six-star label). For a computer monitor with a star rating of seven or more, the format as set out in either Schedule 1 or Schedule 2 (the ten-star label) may be used.

Subsection 7(10)

This subsection specifies the requirements for how an energy rating label must be affixed to a computer monitor. The label must be affixed to either the top, or the screen or mask, of the computer monitor.

Subsection 7(11)

This subsection clarifies that an energy rating label may be part of another label, as long as it still meets the requirements of this Determination.

Subsection 7(12)

This subsection provides that an energy rating label may also be affixed to the packaging of the computer monitor, in addition to being affixed to the computer monitor itself.

**Section 8 – Other GEMS requirements**

There are no other GEMS requirements for computer monitors covered by this Determination.

**Section 9 – Family of models**

Section 28 of the Act provides that a GEMS determination must specify, for each product class covered by the determination, the circumstances in which two or more models in that product class are in the same family of models.

Subsection 9(1)

This subsection specifies the circumstances in which two or more models of computer monitors covered by this Determination may be in the same family of models. This subsection operates subject to subsection 9(2).

The specified circumstances are when the models (a) are marketed in the same category or class of products, (b) have the same energy performance characteristics, (c) have identical physical characteristics, and (d) are included on a single test report prepared prior to applying for registration under the Act. The effect of these specified circumstances is to limit the physical differences that are allowed between models that may be registered in the same family of models to cosmetic differences only.

Subsection 9(2)

This subsection has the effect that for the purposes of subsection (1) a family of models may consist of no more than 10 models.

**Section 10 – Product categories**

Section 29 of the Act requires that a GEMS determination specify whether the products it covers are category A or category B products. Category B products are subject to higher penalties than category A products for certain offences under the Act, on the basis that category B products have a high impact on energy use or greenhouse gas production.

Section 10 specifies that computer monitors covered by the Determination are category A products.

**Schedule 1 – Format of six-star label**

Schedule 1 specifies the requirements for the appearance of the six-star energy rating label for a computer monitor. The schedule covers the required colours, allowable fonts, required text, and the required physical layout of the label. Diagrams are provided to establish the physical layout requirements.

**Schedule 2 – Format of the ten-star label**

Schedule 2 specifies the requirements for the appearance of the ten-star energy rating label for computer monitors. The requirements are the same as for the six-star label, but must be applied to the physical layout for the ten-star label as set out in the diagram in this schedule.

Attachment B

**Statement of Compatibility with Human Rights**

*Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011*

*Greenhouse and Energy Minimum Standards (Computer Monitors) Determination 2013*

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

**Overview of the Legislative Instrument**

The *Greenhouse and Energy Minimum Standards (Computer Monitors) Determination 2013* prescribes matters relating to minimum energy efficiency and energy labelling requirements for computer monitors under the *Greenhouse and Energy Minimum Standards Act 2012*. The Determination establishes requirements for energy use and energy labelling, including requirements for conducting tests in order to demonstrate compliance with those requirements. The Determination also sets out the circumstances in which two or more models in a product class may be a family of models, and establishes the applicable product category for the purposes of calculating certain penalties under the Act.

**Human rights implications**

This Legislative Instrument does not engage any of the applicable rights or freedoms.

**Conclusion**

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

**The Hon Gary Gray AO MP
Minister for Resources, Energy and Tourism**