

EXPLANATORY STATEMENT

Issued by the Authority of the Greenhouse and Energy Minimum Standards Regulator

Greenhouse and Energy Minimum Standards Act 2012

Greenhouse and Energy Minimum Standards (Exemption) Instrument (No.3) 2016

Purpose and Operation

Section 37 of the *Greenhouse and Energy Minimum Standards Act 2012* (the Act) enables the GEMS Regulator, by legislative instrument, to exempt models of GEMS products from one or more requirements of a GEMS determination in relation to all or specified supplies or uses of products of that model and enables the GEMS Regulator to specify conditions to which the exemption is subject. GEMS determinations are defined in section 11 of the Act.

Section 37 also provides that regulations may be made in order to provide a framework for administrative processes around the submission and assessment of applications for exemption.

The purpose of the *Greenhouse and Energy Minimum Standards (Exemption) Instrument (No.3) 2016* (the Instrument) is to exempt the specified three phase electric motors from the GEMS level requirements contained in section 6 of the *Greenhouse and Energy Minimum Standards (Three Phase Cage Induction Motors) Determination 2012* (the Determination).

JKC Australia LNG Pty Ltd (JKC Australia) has sourced custom designed three phase electric motors needed for its Ichthys LNG Onshore Project in Darwin. JKC Australia has sought an exemption from the Determination due to the significant costs, and potential delays, to the Ichthys LNG Onshore Project if a replacement motor is sourced.

Consultation

The exemption set out in the Instrument was considered on application from the applicant named in the Instrument. Since the Instrument will only exempt the motors currently held by the applicant, consultation was only undertaken with the applicant for the purposes of clarification of their application.

Detailed description of provisions in the Instrument

1. Name of Instrument

Section 1 sets out the name of the Instrument.

2. Authority

Section 2 sets out the provision of the Act under which the Instrument is made.

3. Commencement

Section 3 sets out the commencement arrangements for the Instrument.

4. Definitions

Section 4 sets out the definition of terms used in the Instrument. The term 'Exempt Model' is defined in section 5 of the Instrument.

5. Exemption

Section 5 exempts the motor model specified in clause 1 of the Schedule to the Instrument (the Exempt Model) from the energy use and testing requirements of section 6 of the Determination, subject to the conditions specified in section 6 of the Instrument.

6. Conditions of Exemption

Section 6 specifies the conditions to which the exemption is subject.

7. Schedule – Exemption and conditions of exemption

The Schedule to the Instrument sets out the following terms:

- specifications of the Exempt Model;
- the requirements of the Determination from which the model is exempt;
- the supply and use to which the exemption applies; and
- conditions of the exemption.

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 (Exemption) Instrument (No.3) 2016

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 (Exemption) Instrument (No.3) 2016* specifies models of GEMS products that the GEMS Regulator has exempted from the requirements of section 6 of the *Greenhouse and Energy Minimum Standards (Three Phase Cage Induction Motors) Determination 2012*, and the conditions to which the exemption is subject.

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.