



## COALITION URGED TO TOUGHEN STAND ON POTENT GREENHOUSE GASES

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The Coalition should fix lax enforcement of rules on refrigerant gases, establish gas recovery schemes for used cars and appliances, and vigorously back moves to use the Montreal Protocol to phase them out, according to the refrigerants industry.

The view is shared by two refrigerant organisations that hold divergent views on the merits of a Coalition promise to abolish the carbon-price equivalent levy on synthetic greenhouse gases, which are widely used as refrigerants but are highly potent greenhouse gases.

The two organisations also hold different views on whether abolishing the carbon price would result in falls in the cost of refrigerants similar to the large price rises that occurred in mid-2012 ([see related article](#)).

### Carbon charge 'not necessarily ideal'

According to Refrigerant Reclaim Australia ([RRA](#)) - the refrigerant industry organisation that administers the scheme to reclaim and destroy ozone-depleting refrigerants - repeal of the carbon price applied to refrigerants would be no loss.

A price might be a good way to deal with stack and tailpipe emissions, but "it's not necessarily the ideal approach for a manufactured chemical", RRA's general manager, Michael Bennett, told *CE Daily*.

According to Bennett, there are three strategies that could help to reduce emissions of synthetic refrigerants - one of which is to "increase the level of enforcement of current regulation".

There are "a whole host" of people who are currently not doing the right thing when working with refrigerants, he says.

Secondly, he says the Coalition Government should establish robust recycling schemes for end-of-life consumer durables that result in much greater recovery of gases, "in particular motor vehicles and split air-conditioning systems".

Bennett says the Coalition should also "support the move to have synthetic greenhouse gases managed through the Montreal Protocol".

After years of blocking by countries including China and India, this month's G20 meeting in Russia secured an [agreement](#) to implement phase-downs of their use through the Montreal Protocol, which was established in 1989 to reduce ozone-depleting refrigerant gases.

Environment groups have lobbied for years to deal with synthetic greenhouse gases through the Montreal Protocol and the first opportunity to capitalise on the G20 agreement will occur at the 25th meeting of parties to the protocol next month in Bangkok.

### Prices 'sticky' downwards

The Australian Refrigeration Association ([ARA](#)), which promotes refrigerants that are not potent greenhouse gases, disagrees with Bennett on axing the carbon price applied to refrigerants, with president Tim Edwards describing it as "bad policy".

"Why remove the price incentive?"

And, unlike Bennett, Edwards is not convinced that importers of refrigerants will drop their prices by the same amount that they put them up at the time the carbon price was introduced.

"I am suspicious that refrigerant prices will be sticky downwards, even if the synthetic greenhouse gas levy is removed."

"They blasted up a lot more than they needed too," he says of the mid-2012 price rises.

However, even if the Coalition succeeds in abolishing the carbon price, a transition to refrigerants that are not potent greenhouse gases "will continue for sure, in Australia and worldwide", Edwards says.

That's partly so because the alternative gases are more energy-efficient, he says.

Nevertheless, Edwards agrees that better enforcement is crucial, describing current compliance efforts as dismal.

And he also backs recycling schemes involving gas recovery for fridges, vehicles and air-conditioners, as well as action under the auspices of the Montreal Protocol.

However, he adds one more item to the list – training and education.

"There is an enormous training requirement."

### **Financing for small business upgrades at risk**

Edwards' scepticism about the size of price falls if the carbon price goes is shared by refrigeration consultant Michael Bellstedt ([see related article](#)), who is also concerned about the ramifications of Coalition plans to abolish the Clean Energy Finance Corporation (CEFC).

Bellstedt, director of consultancy [minus 40](#), isn't perturbed by the axing of the Clean Technology program, as it didn't support upgrades for two business sectors that make extensive use of refrigerants – retailers and cold stores.

But abolishing the CEFC would "disproportionately" affect smaller businesses because it had provided them with a source of finance to upgrade their systems.

Financing available through the CEFC – and similar arrangements with CEFC predecessor Low Carbon Australia – had proved "very effective" in supporting upgrades, says Bellstedt, whose company has a [strategic alliance](#) with the CEFC to carry out such work.

While larger businesses could probably finance upgrades through other means, that would not be the case for small businesses, he says.

He adds that, although CTP funding was more generous, the CEFC financing model "was less likely to be misused", and offered less scope for projects to be "fine-tuned by consultants" in order to secure funding.

### **Major source of emissions**

Whether or not the Coalition succeeds in removing the carbon price-equivalent charge

on refrigerants, a recent [report](#) for the federal environment department highlights the importance of implementing strategies to reduce emissions from the sector.

The 'cold, hard facts' report concludes that refrigeration and air-conditioning systems could account for just over 11% of Australia's greenhouse gas emissions, due to gas leakage from systems during and after their life and emissions associated with their use of electricity.

[Cold, hard facts 2 \(July 2013, Peter Brodribb and Michael McCann, commissioned by DSEWPAC\)](#)

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