



Response to Department Proposal to Amend HFC Quota Regulations as a result of COVID 19 Impacts

2 June 2020

Refrigerants Australia thanks the Australian Government and Department for thinking ahead about potential issues that could arise from COVID 19 and what steps should be considered to minimise their impact on the refrigerant industry. We recognise that this task is challenging, but agree that early consideration will permit necessary amendment to regulations to allow the flexibility that may be needed.

In relation to the specific proposals raised in the Department's discussion paper, Refrigerants Australia has the following comments.

1. Refrigerants Australia agrees that, for 2020, allowing companies who import less than 100% of their quota to maintain their full quota in future years makes sense. This measure can provide useful flexibility to respond to either restrictions in supply or reduced demand. Refrigerants Australia canvassed our members who, while they support this measure, have a broad range about what reduction in import should be permitted. Accordingly, we will not provide any comments about what the percentage of import should be set to allow for 100% of quota to be maintained.
2. Refrigerants Australia does not think that provisions for the use of reserve quota will be needed under any scenario and therefore would propose that further development not proceed on this potential measure.
3. Refrigerants Australia recognises that the strict provisions of the legislation can create issues for the Department and importers on an ongoing basis, particularly as the year comes to an end and there is no flexibility around the use of the quota. The "use it or lose it" nature of the legislation can cause inadvertent heartache when ships are delayed or there are other issues with landing cargo in Australia. We do agree that some allowance in allowing companies to reduce imports while maintaining quota in an ongoing way allows flexibility for the companies in managing logistic issues and the Department in responding to real world problems. We support this proposal.

As above, however, when Refrigerants Australia canvassed our members, they - while supporting this measure - had a range of views about what the specific allowance should be. Accordingly, we will not provide any comments about what the percentage of import should be set to allow for 100% of quota to be maintained on an ongoing basis.

Thank you for the opportunity for commenting on these proposals. Please contact us if we can provide any further assistance.